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INTERIM

2 PROJECTS

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

May 20, 1980

TO: Myrt Charney, Executive Director
Legislative Affairs

FROM: Senator Arliss Sturgulewski
Chairman, Community and Regional Affairs Committee

The Senate Community and Regional Affairs Committee proposes to undertake a project, starting at the end of the second session of the Eleventh Legislature, which would forward the work of the House and Senate Joint Interim Committees completed during the interim between the first and the second session of the Eleventh Legislature. This work will serve to knit together the various threads of studies and policy analysis that will be on-going during the time period prior to the commencement of the First Session of the Twelfth Legislature.

In addition, the Senate CRA Committee proposes to undertake a separate special study that will be beneficial to Senate members during the next session. A full project description has been developed and is attached, along with background material and the budget breakdown. The project is estimated to cost $32,144.

I would appreciate it if you would take the necessary steps to process this request for the committee. I also would appreciate receiving, as soon as possible, specific information regarding office space and other incidental arrangements.

Your assistance is appreciated.

cc: Senator Tillion
Senator Hohman

Enclosure

PROJECT PROPOSAL

The Senate CRA Committee proposes to undertake a project, starting at the end of the Second Session of the Eleventh Legislature, which would forward the work of the Joint Committees during the previous interim and would knit together the various threads of studies and policy analysis that will be on-going during the time period prior to the start of the First Session of the Twelfth Legislature.

The project which we propose and the projects which will be taking place during the same time share several goals: a concern for realization of the constitutional goal of maximum self government and local self determination, and the recognition that the state's changing economic climate calls for exploration of alternative approaches to achieving maximum self government and local self determination through new approaches to financial and other resources.

The committee proposes to undertake the following tasks:

1. As described in the background material, the committee believes that it is important to provide legislative interface with the efforts of the Department of Community and Regional Affairs and to forward their study results by developing any appropriate legislation. In order to provide the necessary coordination and efficiency of efforts, we foresee staff work in the execution of the Department of Community and Regional Affairs project, participation in the work of the Task Force and development of any appropriate legislation. These efforts will also be connected with committee efforts regarding the financing of services in the unorganized borough.

2. Concurrently with and as a supplement to agency efforts and studies regarding the financing of services in the unorganized borough, the Senate CRA Committee proposes to evaluate this question in terms of local tax base and incentives to borough formation in terms of the effects of the building of the gasline on local governments. The legislature, in its capacity as assembly of the unorganized borough, should be aware of the effects of the building of the gasline on both state and local revenues and the potential revenues of new boroughs.

To supplement existing studies, the committee proposes to prepare a study on the effect of the gasline on local governments. We will assume that the existing statutory framework of the oil and gas properties tax remains unchanged and examine the range of possible taxes along the pipeline corridor. These assumptions will be tested against and compared with the history of taxation in organized areas such as the North Slope Borough and the Kenai Peninsula Borough. Further, we intend to explore the disparities that might be created between funding levels in the pipeline boroughs and potential boroughs and the tax bases of other areas of the state. An analysis will be prepared of the implications of the statistical information about tax bases and resources necessary for the provision of minimal governmental services. An array of alternatives will be explored that address the conclusions reached in previous sections of the project and recommendations for any appropriate legislation will be made. It is foreseen that parts of this work, especially statistical analysis, will be provided by House Research and by the staff at Legislative Finance.

This project will not only supplement the efforts described in (1) above, but will also provide additional information for future revisions of SB 348 and SB 350 and such other legislation introduced during this session as SB 488.

3. Closely related to the area of financing of local government is the way in which governmental services are structured and the relationship of local governments to the state government. These relationships are embodied in AS 29, the title governing Municipal Government. Both the House and Senate CRA Committees, recognizing the considerable public desire for a revision on Title 29, have introduced a proposal to involve a variety of local government interests in the preparation of a revision of Title 29. Funding has been separately requested for this project which would consist of funds to Legislative Legal Services, one of the major proponents of revision of Title 29, for the following:

> Two groups would be selected from recommendations provided by legislators, the Department of Community and Regional Affairs, Alaska Municipal League and other interested and affected parties. The first group would be a policy advisory group composed of a variety of perspectives and interests, representing the diversity of local governments across the state, and would include a representative of the legislature. The second, a much smaller group, would be working group, composed of people who have had experience in the appplication of AS 29. The work group should consist of municipal attorneys, representatives of the Department of Community and Regional Affairs and the Department of Law, as well as a staff member of Legislative Legal Services; other municipal staff functions should also be represented, such as managers or clerks. While the actual technical work would be conducted by the working group, the policy group would provide overall guidance and assistance on policy questions.
>
> Administrative and secretarial responsibility would rest in Legal Services. In order to support this project funds would be required for travel and per diem. Most local governments will be glad to contribute staff time to this project. However, for both the policy the the working group it will be necessary to provide travel funds. As often as possible, teleconferencing will be used to reduce travel needs and to expedite the process.

The Senate CRA Committee feels it would be beneficial to participate in this project to revise Title 29, especially in terms of the variety of policy issues regarding local government, borough government formation and financing of governmental services. This effort would provide coordination between the projects described in (1) and (2) above and would insure that the committee is knowledgeable and able to carry forward and explain the proposed revisions to other members of the legislature. All that will be required for this component of our proposal is staff time and travel and per diem.

4. Related to the issues and projects described above is a fourth area that has been of concern to the CRA Committee through its previous work during the interim. To summarize the background material provided in this proposal, local governments and rural people have identified a variety

of problems involving the construction of capital projects. For example, there is considerable difficulty in many areas of the state with collection of sufficient funds to provide the local match requirement placed on many projects by the state and federal governments. The Second Session of the Eleventh Legislature has seen increased interest in the funding of capital projects. Increased revenue sources have meant increased interest in using general funds for capital construction, rather than bonding processes formerly employed. At the same time, there has been considerable dissatisfaction with the performance of the Department of Transportation and Public Facility as the state's prime builder of capital projects. This dissatisfaction has been intensified by the desire to use capital projects as public works projects in order to buoy the state's economy during the current downturn. Legislative Budget and Audit is currently auditing the Department of Transportation and Public Facilities in their capacity as managers of the state's capital projects. It is anticipated that management recommendations will be presented.

Legislative action during this session has been marked by the desire to identify and fund projects. However, there have also been other initiatives which have been taken. Senate Bill 546 and House Bill 1010 propose a Capital Construction Fund which would allocate to all areas of the state an entitlement that could be used for the construction and maintenance of capital projects. There are several interesting features to this bill, including a planning provision which seeks to improve and expand upon DOTPF's Chapter 168 responsibilities. Similarly, SB 488 seeks to establish a capital planning process to improve existing DOTPF functions.

During the same time period, an audit has been performed by the Legislative Budget and Audit Committee to examine any management problems within DOTPF insofar as capital projects are concerned.

It is the purpose of this project to explore the above set of interrelated capital construction issues and concerns: capital project planning, capital project funding, and DOTPF's relationship to capital projects. A paper will be prepared which identifies existing practices and existing problems associated with those practices; alternative solutions which address those problems will be discussed and evaluated by criteria which will be set forth in the paper.

BUDGET

The following budget is based on the assumption that the Second Session of the Eleventh Legislature will complete its business in June and that Legislative Affairs Agency will be able to provide (per information from Mr. Charney) office space and telephone service.

Staff salary, including 26% benefits	$19,404
Temporary secretarial service totalling 30 days	1,740
Travel & per diem AS 29 CRA Revenue Capital Construction	7,000
Contractual Printing	4,000
TOTAL	$32,144

BACKGROUND

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.

CSSB 348 and CSSB 350 are two of the bills developed by the Joint Committee. CSSB 348 divides the unorganized borough into "unorganized boroughs" using the boundaries of the Regional Educational Attendance Areas (REAAs). Public hearings are held in each REAA by the Commissioner of Community and Regional Affairs and provision is made for adjustment of the boundary lines.

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.

Further, Title 29 is amended allowing for the incorporation, by petition to the Local Boundary Commission, of unorganized boroughs as home rule municipalities. Adoption of a home rule charter would require a majority vote both inside and outside of incorporated municipalities. 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.

CSSB 350 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.

During the session, there has been considerable interest in these bills. A number of people have testified at hearings or have discussed the bills with the committee or its members. Due to interest in this legislation and to the complementary effect of recent developments in coastal zone management, the DCRA is initiating a study of the unorganized borough.

The Unorganized Borough Study (UOB) will include, (1) a series of "gatherings" or individual interviews with key residents in the unorganized borough to discuss and document problems and issues with planning and other service delivery in the unorganized borough; and (2) a working task force of Alaskan and non-Alaskan experts in public administration, finance and law to propose and examine solutions to key problems related to local and regional government and planning in the unorganized borough. A key product will be the identification of planning and management options for the unorganized borough and the evaluation of each option against the following criteria:

a. Costs and Incidence of Costs: There will be costs associated with any planning or management options. It is important that the total costs be assessed for each alternative; it is equally important to identify all entities directly and indirectly absorbing the costs.

b. Availability of Funds: One elementary requirement for any successful planning effort is financial resources; the funds may come from grants, tax revenues, revenue sharing, or some other source, but they must be available for both the development and implementation of a plan. All alternatives for the availability of funds should be evaluated for all stages of the planning program.

c. Availability of Staff: In line with funds, planning efforts will need and must have easy and continual access to capable staff resources for both plan development and implementation tasks.

d. Existing or Politically Feasible Mandates: The viability of a planning structure or program for Alaska's unorganized borough is largely dependent upon a mandate for that planning program. A mandate may occur in a number of ways: a legislative act, an administrative act of the Governor, public referendum or local election, or through a state agency program or regulation.

e. Public Acceptability: Akin to political feasibility is the need for public acceptability of a planning or management option.

f. Quality of Service Delivery: This a multi-faceted criterion; the quality of service delivery depends on a number of things, many of which are included in the other criteria. The objective, however, is not to repeat previous analysis, but to consider whether or not the planning alternatives are based upon "logical" planning units and how they will affect other public services and service areas.

g. Implementation Authority (planning options only): In almost all cases, a plan is only as good as its implementation. Therefore, an effective planning structure or organization must have appropriate implementation authorities and powers.

It is envisioned that this project would have a legislative liaison, employed by the legislature to monitor the study, participate in policy analysis and deal with legislation that might be developed by the task force conferences. Coordination of studies regarding service delivery that are envisioned in CSSB 350 and avoidance of duplication of legislative efforts of the interim involves a staff position funded by the legislature to follow the unorganized borough study, to assess and design in conjunction with DCRA studies to supplement or complement the unorganized borough study.

Partially as a result of the Joint Committees' work during the interim, a resolution was introduced on both the House and Senate sides, calling for a revision of AS 29. Since the time of original enactment, changes in the statutes, problems in its application, and policy questions of importance have been noted by municipal attorneys, city managers and clerks, and other municipal officials. Additionally, representatives of the unorganized areas have noted certain structural inflexibilities of AS 29 and certain unresolved policy questions, such as the function and role of IRA councils and property tax exemptions. The legislature needs to be aware of these and other policy issues and to be prepared for future discussions of these policy issues at hearings during the next session and on the floor when legislation is discussed. For more background on this subject, please see the attached memorandum of March 31, 1980 to Senator Tillion.

As a result of information received by the Joint Committees during hearings held throughout the state, the CRA Committees introduced legislation proposing a Capital Foundation Fund.

Among the items learned by the Joint Committees was that not all projects are equally needed. Experience indicates that some percentage of capital projects include ones no one wants to see built, other projects whose operation costs will be so high that local people will reject them, others for which maintenance funds are not available. Some of these projects duplicate facilities that exist; some are a source of community conflict as they are only desired by some special interest group. Many are proposed because communities want to get their economies moving; but local people do not always work in them.

While this year's capital budget is the largest in Alaska's history, we all recognize that the state has long been in the local construction

business. And the state will continue in this role because state government has greater revenues than local governments, and because there is a need throughout the state for facilities of all sorts and for public works projects to affect economic goals.

Recognizing this reality, both House and Senate Community and Regional Affairs Committees have introduced legislation (HB 1010 & SB 546) which seek to systematize the capital construction process by providing for local capital improvements planning and local determination of construction priorities. Equity concerns have led us to propose a system that is similar to revenue sharing entitlements, except that, in addition to organized areas receiving funds, unorganized areas also receive entitlements.

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the state for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by he local assembly when there is one, and by advisory groups assisted by the Department of Community and Regional Affairs when there is no local government.

Organized boroughs, unified home rule municipalities, and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning pruposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes. Home rule municipalities and organized boroughs expend funds themselves. In unorganized areas, the Department of Transportation and Public Facilities is responsible for fund expenditures. Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Capital Foundation Fund entitlements may be used for any priority established by the capital improvement plan in the following classes: libraries, cultural recreation, health and community facilities; neighborhood parks; emergency detension facilities; water, sewer, solid waste and resource recovery facilities; and a variety of transportation facilities, such as local transit facilities and equipment.

As explained in the next section of this proposal, additional work is needed regarding capital construction.

At the heart of much of the concern of rural people regarding future formation of boroughs is a concern for the ability of communities to generate sufficient revenues to sustain local government and local governmental services. One of the areas that the Joint Committee initiated work in was the area of local government funding and fiscal resources. Unfortunately, this topic was not fully explored, and the committees felt that it was inappropriate to introduce legislation at that time. However, it is clear from all the testimony received and from preliminary work done during the interim that this issue lies at the heart of steps that can be taken to foster local and regional government in the unorganized borough. The Department of Community and Regional Affairs will be studying one part of this issue in their unorganized borough study. The legislature should not only participate in that study, but we can supplement those efforts to provide a more concrete understanding of the causal connections between revenue sources and borough government formation. Some of those relationships are clearly demonstrated in the work done by Darbyshire and Associates on the feasibility of the formation of a Yukon Flats Borough. There are, however, especially in the light of building the gasline, several policy issues that require legislative attention. A discussion of several of these policy issues was prepared for the committee by consultant Vic Fischer. A copy of his report is attached to this proposal. The focus that the Senate CRA Committee feels would be most useful at this time is the one centered on the development of "pipeline" boroughs.

BILL NUMBER	DATE INTRODUCED/RECEIVED		SPONSOR(S)	REFERRED	REGARD...
SB 296	1/14/80	1/14	Stimpson	Finance	partial exemption from assessment for levy and collection of property taxes on residential property
SB 299	1/14/80	1/14	Kerttula	—	reducing max. rate of levy for property taxes by municipalities
SB 300	1/14/80	1/14	Kerttula	Labor + Mgmt.	re. to injury leave
SB 309	1/14/80	1/14	Hackney + Ziegler	Judiciary	local gvmt. impact statement
SB 319	1/15/80	1/15	Rules Committee by request of the L.G.	Finance	exemption from municipal property taxation
SB 324	1/15/80	1/15	" "	Finance	property tax equivalency payments to senior citizens
~~SB 30~~ SB 329 withdrawn 1/16	1/15/80	~~1/15~~	" "	~~Finance~~	appropriation to D.C.R.A. for a senior citizens housing needs assessment
SB 348	1/21	1/21	Rules Committee	Finance	Unorganized Boroughs
SB 354	1/21	1/21	Rules Comm.	Finance	elimination 3rd Class Boroughs
SB 353	1/21	1/21	Rules Comm.	Finance	incorporating second Class boroughs as home rule boroughs
SB 352	1/21	1/21	Rules Comm.	Finance	Requiring fiscal notes for bills affecting a municipality
SB 351	1/21	1/21	Rules Comm	Finance	U.S. Code 14 & L governments
SB 350	1/21	1/21	Rules Comm.	Finance	Responsibilities of DPOP
SB 349	1/21	1/21	Rules Com	Finance	est. a program of planning for incorporating boroughs
SB 342	1/18	1/22	Rules	Finance	general obligation bonds for capital improvements for water + sewer systems
SB 360	1/24	1/24	Sumner + Hackney	Finance	exemption of residence of disabled VET from certain taxes
SB 370	1/31	1/31	Colletta + Bradley	C/RA	fire prevention
SB 389	2/5	2/5	Bradley, Kerttula, Hackney, Colletta Dankworth, Kelley Fahrenkamp + Bennett	Finance	Senior Citizen Property Tax exemption
SB 408	2/8	2/8		Resources Committee — Finance	Village gardening funds
~~SB 389~~		~~2/5~~			

BILL NUMBER	DATE ~~INTRODUCED~~/RECEIVED	SPONSOR(S)	REFERRED	REGARDING
351	4/9			
HB 947	4/14			
~~HB 780~~				
SB 562	4/15			
SB 565	4/17			
CSHB 192 (Fin) am	4/24			
SCR 66	4/25			
CSSB 562	4/28			gave back 4/29
HB 696	4/28			
~~CSSB~~ CSSB 562 (corrected)	4/29			
CSHB 932	4/30			
CSHB 192 am	5/2			
SCSCSHB 192	"			
SCSCSHB 947	5/9			
FCCSSB 549	Draft			
FCCSSB 248				
" 245				
" 243				
" 446				
" 240				
" 242	5/9			
244				
246				
247				
CSSB 546	5/14			
HCR 67	5/15			
SCSCSHB 932	5/21			
HB 615	5/21			

BILL NUMBER	~~DATE INTRODUCED~~/RECEIVED		~~SPONSOR(S)~~	~~REFERRED~~	~~REGARDING~~
SB436	2/12	2/12	Kerttula	Finance	Grants for solid waste
SB431	2/12	2/12	Rules Comm.	Finance	exempt. from tax levy
SB427	2/12	"	Fang, Ray, Sackett, Meland, Colletta, Sumner, Kerttula, Ice Iverson, Nelson & Bradley	Finance	improvements to reduce energy consumption Senior citizens tax exempt
SB437	2/12	2/12	Rules by req of Gov.	Finance	c/revising the determinations of alternative construction costs which qualify fo. state financial participation
CS SB131	2/	2/18	C/KH		general obligation bonds for water
SB448	2/18	2/19	Hohman	Finance	Establishment of Transmission Line Rate Boroughs
SB486	2/18	2/19	Hohman	Finance	Revenue bonds for industrial parks
SB465	2/18	2/19	Fang, Colletta, Fahren., Sumner Stevens & Bradley	Fin.	taxes on residential property exempt Sen Cit from property tax
SB456	2/18			Fin.	Chena River Park Strip
SB453	2/18	2/19	Fahren & Bradley	Fin.	
SB452	2/18	2/19	Rules Committee	Fin.	funds & grants for community sports facilities
SB446	2/18	2/19	K, Colletta, Kelly Sturgul. & Stevens	Fin.	constr. of Ski jumps
SB450	2/18	2/19	Rules Comm.	Fin.	options for control of Fbks Int'l Airport
SB451	2/18	2/19	Fahren., Bird, Colet., Kerttl, & Fang.	Fin.	Community facilities mgmt. by local sports & rec. councils
SB492	2/19	2/19	C/KH	Fin.	applied to CIP fd long range capital improvement accounts
SB510		3/5			
8 CS SB453		3/11			
CSSB 450		3/18			
CSSB 349		3/24			
CSSB 492		3/24			
CSSB 348		3/25			
CSSB 350		3/25			
SB 389		3/31			
CSSB 370		4/2			
SB389		4/2			
SB535		4/2			
SB546		4/3			
550		4/3			
~~SB 336~~ SB510		4/3			

mt6 C

HUD

officials

5/22/80

5/19 Gave Copies to Ms C/Ra to hand out! /+

May 19, 1980

TO: Senator Bob Mulcahy
Vice-chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting

Thursday, May 22, 1980 - 8:30 a.m.

Assistant Secretary Donna Shalala and Deputy Assistant Secretary David Garrison of the U.S. Department of Housing and Urban Development will be in Juneau May 22. They have indicated interest in meeting with our committee. I have arranged for a meeting at 8:30 a.m. on that date in the Butrovich Room for our committee members and members of the House Community and Regional Affairs Committee. Discussion will involve perspective on present and future Alaskan housing and community development issues and other revelant concerns. This should be an interesting and informational meeting and I welcome your participation.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ANCHORAGE AREA OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

REGION X

May 9, 1980

IN REPLY REFER TO:

10.1SS

Senator Arliss Sturgelewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgelewski:

Thank you for your interest in meeting Assistant Secretary Donna Shalala and Deputy Assistant Secretary David Garrison. Your perspective on present and future Alaskan housing and Community Development issues promises to be very valuable to Dr. Shalala and Mr. Garrison's understanding of the State and their ability to respond appropriately. As confirmed over the phone, Assistant Secretary Shalala and Deputy Assistant Secretary will be meeting with you at 8:30 a.m., Thursday, May 23rd in your office.

To assist your preparation for this meeting, I am enclosing biographies on Dr. Shalala and Mr. Garrison, a copy of a recent interview with Assistant Secretary Shalala and another Deputy Assistant Secretary (Dr. Stegman), background materials on the Policy Development and Research Division and HUD programs, and a copy of the Shalala/Garrison itinerary.

Again, thank you for your interest in participating in this visit.

Sincerely,

John Duffy
Area Manager

Enclosures



Tonyla —

Planned late
to set up a
~~spot~~ special
p.t. mtg of
House / Senate
CRA to meet w/
Asst Sec Shalala
HUD (from DC)
on Thurs 8:30
in House CRA
room @ Butler.
See me 9/

Frank Ferguson
465-4973
465-4989

Schedule CLAmtg. rrnd
{ask marge if her committee
{want to come.

call Frank's office

IMPORTANT MESSAGE

FOR F

DATE 5-7 TIME 4:45 A.M. / P.M.

WHILE YOU WERE AWAY

M Newton Chase

OF Hdq & Urban Dev - (Fed)

PHONE No. 271-4183 (AREA CODE / NUMBER / EXTENSION)

TELEPHONED		PLEASE CALL	X
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		RUSH	
RETURNED YOUR CALL			

MESSAGE Possible mtg with Ass't Sec. Donna Shalala May 22 in Juneau

SIGNED T

LITHO IN U. S. A.

TOPS 3002-P

Alan Flug + Chas + Bank caucus
4/30/80

Newton Chase
Dept of H.U.D. 271-4183

Thursday
8:30

Asst. Sec. Shalala
: Policy Develop + Research Section.
arrange to meet w/ bank caucus.

Thursday May 7 2nd.
to meet w/ Alaska Council Sec + Jack in afternoon 2nd.
all afternoon
to meet w/ Jim Tetzlaff @ 10
DPDP / Jessie Dotson / Conn. McCluskey.

(late wed early Friday)

Going to NAHA in m / through Jus.
Anchorage Lund

Interest here —
Policy Development & Research needs.
Housing / community Development applys. to Alaska — may

need special effort to meet Alaska needs.

Maybe DPDP - HUD - Alaska Comm together

Resources to be needed

Wednesday May 21st

8-10 Meeting with AAO staff
(8:30 general staff meeting) (271-4170)

10-11 (Pending)

11-12 Meeting with Mayor Sullivan

12-1:30 Alaska Real Estate Committee (or speech at Mortgage Banker's Assoc. luncheon)

1:30-5 Colloquia on Alaska Housing (co-sponsored with Office of Energy Conservation)

6:35 AS #70 to Juneau

Reservation in Hilton (586-6900)

Thursday May 22nd

7-8:30 Breakfast with City and Borough Mayor Overstreet, City Manager Winegar

✓8:30-10 Meeting with Senate-House Committee on Community and Regional Affairs

10-12 Meeting with Governor Hammond, Commissioner McAnerney, gubernatorial staff, members of DPDP (465-3500)

12-1 Lunch

1-4 Alaska Council on Science and Technology (465-3510)

4-6 Meeting with Bush Caucus

7 Dinner

OPEN

Reservation at Hilton (586-6900)

Friday May 23rd

7 AS #60 to Seattle

9:50 Arrive Seattle

Flight to Cleveland, Ohio

Shalala/Garrison Visit

Tentative Itinerary 5-8-80

Sunday - May 18th

Shalala
Arrive Fairbanks 10:35 p.m. - AS #99 (Possible airport meeting with Regional Administrator during Seattle layover.)

Garrison
Arrive Fairbanks 4:40 p.m. - AS #95

Reservation at Travelers Inn (456-7722)

Monday - May 19th

9-12 - With Vice Chancellor Mather et al (479-7314)

12-1:30 - Possible lunch with Mayors Carlson, Wood and City Manager Droz

2:30 - WC #63 to Kotzebue

2:40 - Arrive Kotzebue
-OPEN- (see Tuesday below)

3-5 - NANA Regional Strategy

Reservation at Nu-Luk-Vik Hotel (442-3331)

Tuesday May 20th

8:00 - NANA Housing Authority (442-3311)

- Bush visit to HUD sites with Sheldon

12:00 - Lunch with John Schaeffer

2:00

3:20 - WC #64 to Anchorage

5:50 - Arrive Anchorage

6:30-8 - Dinner with Duffy, Pavolka, Robinson and Chase

8-10 - Tour of City with Duffy, Pavolka, Robinson and Chase

Reservation at Westward Hilton (272-7411)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR LEGISLATION
AND INTERGOVERNMENTAL RELATIONS

IN REPLY REFER TO:

POLICY DEVELOPMENT AND RESEARCH DIVISION

Assistant Secretary - Donna E. Shalala

Deputy Assistant Secretary
for Policy and Program Development - David F. Garrison

Deputy Assistant Secretary
for Research and Demonstration - Michael A. Stegman

Deputy Assistant Secretary
for Economic Affairs - Elizabeth A. Roistacher

Under the Housing and Urban Development Act of 1970, the Assistant Secretary for Policy Development and Research undertakes programs of research, studies, testing and demonstrations related to the HUD mission. These functions are carried out through grants to and contracts with industry, non-profit organizations, educational institutions, and through agreements with State and local governments and other Federal agencies.

In meeting the goal of providing housing to meet national needs, research and technology programs include experiments to test the feasibility of providing direct cash assistance to needy families for rental or homeownership payments; studies of fair housing and equal opportunity practices; investigations of property disposition approaches; development of techniques to lower or stablize the costs of housing production, financing, management and the costs of Government subsidy programs; programs to increase housing safety and security, including reducing the hazards of lead-based paint and improving mobile home safety; programs concerned with the problems of housing deterioration and neighborhood decay, including assessments of promising approaches to housing and neighborhood preservation, such as urban homesteading and the fostering of local resident-business-government partnerships; activities to increase State and local government capabilities through the development of improved revenue generation and allocation practices, better methods for the guidance of economic and community growth, and development of ways to increase productivity in public service delivery systems.

In addition research related to the conservation of energy and natural resources, including solar energy, and geological problems in community development are supported, as well as the continued collection and analysis of economic and financial data essential to HUD policy and program development and evaluation. The largest single project in this area is the Annual Housing Survey undertaken to measure changes in housing inventory and to complile data on the physical condition of housing units and the characteristics of the occupants in both urban and rural areas.

(Reprinted from 1977/78 United States Government Manual
HUD-AAO-5-6-80)

U.S. Department of Housing and Urban Development
Washington, D.C. 20410

October 1978

Biography

Donna E. Shalala

Assistant Secretary for Policy Development and Research

Donna E. Shalala was nominated Assistant Secretary for Policy Development and Research by President Jimmy Carter on March 21, 1977, and confirmed by the Senate on April 7.

A research scholar and specialist in State and urban government and finance, with extensive published writings, Ms. Shalala came to HUD after a teaching career at Columbia, Yale Law School, the City University of New York and Syracuse University.

A member of Phi Beta Kappa, Ms. Shalala is a recipient of several other honors, including election in 1976 to the National Academy of Public Administration, L.H.D.'s from Marymount Manhattan and Russell Sage College, the American Association of University Women's Young Scholar Award and a Guggenheim Fellowship. Ms. Shalala, in 1975, was named Director and Treasurer of the Municipal Assistance Corporation (Big Mac), the agency created to solve New York City's financial problems.

Before coming to HUD, her civic activities included Vice Chairwoman of the Citizen's Union of the City of New York, and member of the boards of the Regional Plan Association, World Education Inc., the Council on Municipal Performance, and the National Municipal League.

She has also been consultant to numerous research and study groups, including the Connecticut Commission to Study School Finance and Equal Educational Opportunity, the American Jewish Committee's National Project on Ethnic America, and the Ohio Commission on Local Government Services.

A native of Cleveland, Ohio, Ms. Shalala received a bachelor of arts degree in 1962 from Western College for Women, Oxford, Ohio, and M.A. and Ph.D. from the Maxwell School of Citizenship and Public Affairs, Syracuse University, in 1968 and 1970, respectively. She served as a Peace Corps Volunteer in Iran from 1962-64.

RESUME

DAVID F. GARRISON

#8 Fourth Street, S.E.
Washington, D.C. 20003

DATE OF BIRTH: April 22, 1943
MARITAL STATUS: Married
FAMILY: Two Children

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EDUCATION

1970 - LLM, Urban Law Institute, George Washington University National Law Center, Washington, D.C.

1968 - J.D., George Washington University National Law Center, Washington, D.C.

1965 - B.A., Amherst College, Amherst, Massachusetts, political science major.

EMPLOYMENT

March, 1977 to present - Deputy Assistant Secretary for Policy Development, Office of Policy Development and Research, Department of Housing and Urban Development; supervise four divisions -- Policy Development, Policy Studies, Government Capacity Building, and Product Dissemination and Transfer.

March, 1975 to March, 1977 - Budget Analyst, Budget Priorities Staff, Committee on the Budget, House of Representatives, Washington, D.C.; areas of specialty -- housing, community and regional development, law enforcement and justice, revenue sharing, state and local government.

November, 1970 to March, 1975 - Legislative Counsel, Office of Federal Relations, National League of Cities and United States Conference of Mayors, Washington, D.C.; areas of specialty -- housing, community development, comprehensive planning, relocation.

October, 1969 to November, 1970 - Assistant Director, Housing Advisor, Center City Community Corporation (OEO-CAP funded Neighborhood Development Center), Washington, D.C.

September, 1968 to October, 1969 - VISTA Volunteer Attorney, Urban Law Institute and Neighborhood Legal Services Program, Washington, D.C.

June, 1965 to July, 1968 - Staff Assistant, Congressman F. Bradford Morse (5th Massachusetts District), U.S. House of Representatives, Washington, D.C.

BAR

Admitted to practice, District of Columbia, May, 1970.

Assistant Secretary Donna E. Shalala



Meeting the Policy and Research Challenge

Scene: A small round table in the office of Donna E. Shalala, Assistant Secretary for Policy Development and Research (PD&R).
Time: September 24, 1979.
Speakers: Dr. Shalala and her Deputy Assistant Secretary for Research, Dr. Michael Stegman.

Shalala: What has been our greatest challenge? I'd have to say making research relevant to policy. Timing alone is a significant part of the problem. You see, in addition to discipline and organization, research often requires advanced planning, and that is not conducive to the policymaking process, which marches to its own drum beat. Getting the two together is a very complicated task.

The second problem in making research relevant to policy is having the people who know the research findings in the room when the policymakers are making the decisions. That again becomes a timing issue. It's a personnel issue too. Simply finding good researchers who are sensitive to policy questions is difficult.

I've been particularly fortunate in locating such people. Elaine Ostrowski, for example, the new head of our Housing Management Division, has been a senior staff member and a director of public housing authorities. And Mike Stegman here also has a practical background in housing and research. Finding people who have a very special mix of practical experience as well as research experience means that we get closer to putting policy and research together.

Stegman: Another challenge we are trying to meet is increasing our ability inside PD&R to help formulate the questions that are then researched.

Inside HUD, for example, we are attempting to consolidate our research activities around a set of fundamental policy issues that characterize the Department's short- as well as long-term interests. Within each of these broad policy areas, we can design our research projects with some sense of how a project relates to the one just finished and how next year's work can build upon this year's efforts.

Consistency in the research framework developed around a particular problem allows us to build knowledge as we carry out our projects. Before, we were asking too many specific questions, parceling out our work across a great many contracting organizations, each of which had its own way of carrying out its work. As a result, we would end up with a large number of unrelated work products which reflected incompatible and inconsistent assumptions. Now we are trying harder to maintain consistency in our work and stay closer to our research agenda.

Shalala: But it's not enough just to set up a research agenda. What we do is ask the program managers to tell us what their

Deputy Assistant Secretary Michael Stegman



major problems are. Then it is up to us to frame the research questions and design the research around them. While we do that, we have to have a general sense of how long the program people can wait for the answers. This Department faces a lot of major research problems that would take us years to answer. Therefore, they may not receive as high a priority as some other questions that we can get faster answers to, answers that might improve the quality of a program incrementally.

Stegman: Take our Urban Homesteading Evaluation. We were able to produce on a timely basis estimates of the number of homesteaders participating in our program, the costs of rehabilitation, and the financing mechanisms being used. And our program people need to know these things as soon as possible. But the long-term impacts of the homesteading program – the effect of homesteading on neighborhood stabilization and on neighborhood reinvestment – these are longer term questions. These short- and long-term questions and issues are all being dealt with in the same consistent research framework.

Shalala: One of the valuable spinoffs of this approach is that we are answering things as we go along. We are learning strategies as we go along. Rather than saying that this is a good program or a bad program – because we finally realize that programs are complex and it's not easy to say yes or no, thumbs up or thumbs down – what we are learning are strategies that make programs work better and how, when you mix them up together, they can help toward neighborhood revitalization. Using those resources, what combinations seem to be more successful in what kinds of cities than other kinds of combinations?

Another way we've met the challenge of making research relevant to policy is to assume that there is no *single* way to put together policy and research. We have used every avenue we can think of. From the institutional side we have, for instance, introduced the Indefinite Quantity Contract. This is a budget process that allows us to keep a number of consulting firms and institutions around the country on tap for short-term projects. This is a strictly competitive award, but because it is ongoing it allows us to cut down the turnaround time when someone asks us to come up with a paper or a piece of analysis. We have a new small grants program that is also going to allow us a quick turnaround.

In other words, we have not accepted the fact that it has to take 180 days to award a contract on a piece of research we need an answer to in 30 days. As far as I can tell, we have used every legal personnel innovation available in this Department or in the Federal Government to expand and change our staff. For example, PD&R has had 700 personnel actions in the last year. Our people are topnotch, so some of these actions are promotions and things like that. But 700 actions for an office of some 200 people means we have been bringing lots of people in here, for 2 weeks, 2 months, 2 years to help us to do different kinds of things. While we have not been able to expand our ceiling, we have been

able to make all kinds of temporary appointments to give our permanent Civil Service – our chiefs – some Indians to work with.

We are really innovating in PD&R. From my discussions with my counterparts in other agencies, it's pretty clear that we are leaders in the area of building a real in-house capacity as well as tying that directly to our external research.

Stegman: Let me give an example of rapid turn around and the tailoring of staff and procurement procedures to respond quickly to important policy questions. The 1979 House/Senate conference report requires HUD to report to the Congress on the extent and impacts of condominium and cooperative conversions on low- and moderate-income families and on the supply of low- and moderate-income housing in cities across the country. The report is due 6 months from the date of enactment of the legislation. If we were to use traditional procurement procedures to secure the necessary survey assistance to carry out our work, we would just about get a contract signed by the time the report is due to Congress.

But we're not going that route. In addition to the Division of Special Studies here in PD&R, which is a group of 12 to 14 professionals who are going to be working on this study full time, we have negotiated a couple of survey task orders with the Research Triangle Institute in North Carolina, which is one of our Indefinite Quantity Contractors.

RTI will carry out a national telephone survey in 80 or so cities across the country to get a sense from policymakers, professional planners, and others about the nature of the problem and the extent of conversion activity in their cities. And in a smaller sample of cities, RTI will conduct intensive field surveys of households that actually live in converted buildings or buildings slated for conversion. We will even try to track a small sample of families that previously occupied converted buildings. Our ready access to quick response contractors gives us the capacity to analyze on site, in a reasonably broad range of cities, what the actual problems are.

There is no way we could do that using traditional contract instruments. As a result, we should be able to provide to the Congress at the end of that 6-month period the best possible estimates of the extent and impacts of conversion activities across the country.

Shalala: It's this new speed and flexibility that now allows HUD research to meet policy and program needs. We are also challenged by the need to anticipate questions. We have to anticipate the short-term questions our colleagues who run the programs need answered, and simultaneously we try to anticipate the questions that are going to arise a year from now.

For example, no one could be prouder than we are that when the President started to move on energy questions we were just completing a major national study on the cost of retrofitting all the public housing stock in this country. So when the Under Secretary turned to us and asked if we had any idea what it would cost to really retrofit the entire public housing stock, we could in fact answer the question.

When he was the Under Secretary, Jay Janis liked to say that the importance of PD&R is that, without us, the Department would go into the future with a paper bag over its head.

Being able to anticipate amounts to having a sense of what the future issues are going to be. And we get that not by just sitting down with researchers but by discussions with the program people too. And it requires being able to read trends and sense the problems that are beginning – whether it's the interim property issue in New York City, the energy crisis building up, or one of my pet projects, water conservation. I think there is going to be a water shortage in the future, and we want to make sure that everything we know about what can be done inside a house *is* done and the people know about it.

Ten years from now I expect another of the problems will be the creative reuse of abandoned property.

Stegman: In some ways I think we are already dealing with some of the issues that will be with us over the next 10 years. I believe the driving force of tomorrow's issues will involve matters of social equity more than technology – matters that we are now beginning to grapple with in our program.

Donna mentions creative reuse. I think an important question, with profound policy implications, will be how to support neighborhoods where the market has all but collapsed. This concerns ways of supporting community groups and other institutions to do the job and carry out the production and allocation activities that the market has ceased to do. Based on my assessment of the difficulties involved, I think that techniques of interfacing housing and related programs, which together would support community building in its fullest meaning, are of very high priority and are sufficiently complex to be with us as a major issue over the next decade.

Shalala: It will be the interrelationship between the programs.

Stegman: There will likely be a blurring of program distinctions with an increasing emphasis on accountability. There will be increasing concerns for cost-effectiveness, but the programs will be less structured in terms of the Department or agency that is supporting each piece of the work. We've got to develop better ways of interlinking program efforts

And that relates to a broader question of how we cost-account these efforts. I think increasingly as we look at community-building we are going to have to charge more and more of the cost of housing programs, for example, to other social accounts: to job training, to neighborhood stabilization, to increased investment around the housing we are rehabilitating. Increasingly, we are going to find it more difficult to really justify these increasing expenditures on a narrowly defined housing account. We are going to have to improve our abilities to measure the spillover effects and neighborhood effects of our community building work.

Shalala: Another long-range issue arises from the increasing portion of poor families that are female headed. These families are going to provide a very special housing problem that we are just beginning to think through in terms of how we organize this Department to deal with the issue.

Ten years from now everybody expects an America whose gross national product increases at a slower rate than at present. So you are going to see a lot of reuse of existing facilities, and multiple uses of facilities, and a lot less wastefulness about everything. Attitudes are going to be different – attitudes toward Government as well as attitudes about people, about their lifestyles and their expectations.

But all of it is not negative. In 10 years we will have a strong rehab industry, for example. In 10 years there will be enormous expertise in weatherization and in energy conservation in the home. We have been through the hard time in terms of learning about design and weatherization of existing homes.

But although we have to anticipate the future, I want to cheer a little about the present. If you ask what I'm proudest of, it's not one single thing. It's the whole thing. We've gotten our act together. We've narrowed down the amount of research we're doing, and we are covering the Department with high-quality, relevant evaluations. Our research is more relevant. It is better organized. The timing is better. We know what research questions can be answered in a short period and what can't. We are more involved in the business of this building because we have organized ourselves differently, and we recognize that the usual way people do research doesn't fit with the needs of government policymakers. These are the kinds of things I'm proudest of in PD&R.

I'm also very proud that we have developed whole areas in public finance and in economic development that we didn't have before. We've also vastly increased our resources devoted to elderly research, and made a big increase in our focus on family housing and family questions.

And we're doing a lot of work on applied questions. For example, we are now working with the Office of Neighborhoods to produce a series of handbooks to help people to use data better. After all, that is a role for researchers too. There's a lot of data available in financial institutions because of the Community Reinvestment Act and the Home Mortgage Disclosure Act, and we're showing community groups how to use them. We're not only doing research on the data ourselves, but we're anxious for outside people to do secondary analysis.

In the next year, the data bases of PD&R are going to be released so that researchers and community groups across the country can use them. In the design of the Community Development Block Grant evaluation, for example, we made sure that neighborhood organizations were keyed in so they and cities could use the information we were developing. This has not been done in Government before, not in any systematic way. For us now, giving people access to the date is not the exception but the rule. It's possible because HUD is probably the only Cabinet-level agency in which the policy and research functions are merged. That's why I have the best job in the Government, because at HUD they're together.

Stegman: Another research accomplishment we should mention is the urban impact analysis work that is currently going on in-house. I think that will make quite a substantial contribution. It is essentially either forging a new methodology or adopting existing methodology to a new set of concerns, namely, the impact of government legislation on the cities.

Shalala: In that area, Mike, I think we have actually expanded policy research. We have actually added a new dimension to policy research that was not there before. Now many of us would suggest that good urban impact analysis is nothing more than good policy analysis, but it operates from a different angle. We have actually moved analysis a step forward. The urban impact analyses in the two books we have coming out – the Johns Hopkins Press will publish them this year – will really be major events in the urban field that will be read by urbanists across the country.

That's another aspect of the Office of Policy Development and Research that I'm particularly happy about – we're getting our research and analysis into the hands of the people who can profit from them.

Donna E. Shalala
Assistant Secretary for
Policy Development and Research

Michael Stegman
Deputy Assistant Secretary for
Policy Development and Research

Newton Chard — HUD / Anchorage Office

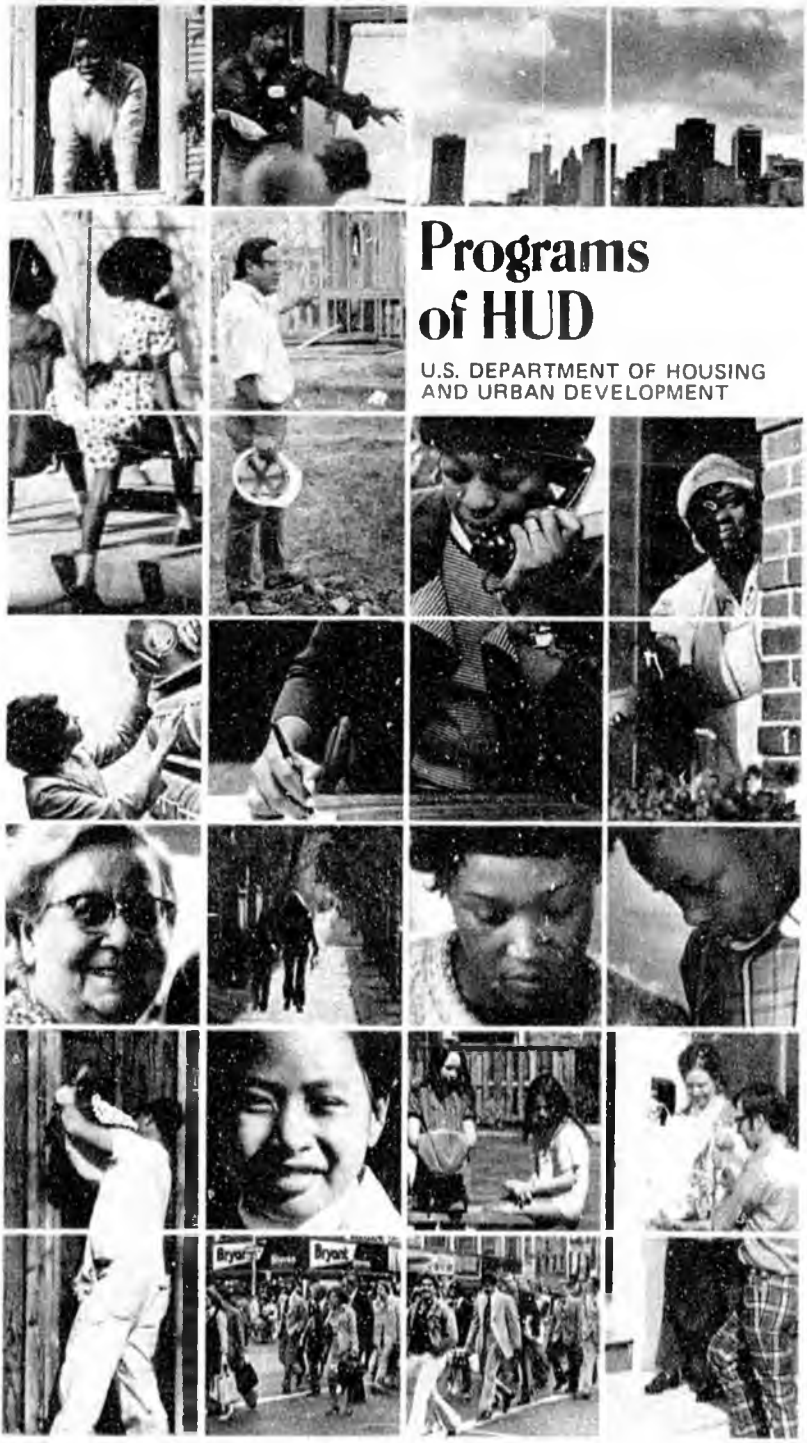
Donna Shalala — asst Sec for Policy Dev. & Research HUD.

David Garrison — Dep Asst. U.S. Dept HUD.

John Duffy

Veronica —

economic development —



Programs of HUD

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Programs of HUD

"Housing is a fundamental, essential and basic human right equivalent to food and clothing on the national scale of human needs; it is the foundation of the family, and the family is the basic unit of the society.

"This understanding alone makes the provision of decent and affordable housing an appropriate and necessary focus for national policy."

Patricia Roberts Harris
Secretary
U.S. Department of Housing and Urban Development

. . . . . .

The U.S. Department of Housing and Urban Development (HUD) was established by Act of Congress in 1965 as a response to the rapid urbanization and increasing importance of housing and community development.

The programs summarized in this book have been designed by Congress and the Department to meet the Nation's need for decent housing for all Americans, and for sound community development consonant with national goals and policies. The programs have as their goal:

- Assuring decent shelter for all Americans
- Revitalizing our urban areas
- Providing a choice of living places
- Enhancing the capability of local governments to rejuvenate their communities

The book contains a brief description of each program and of aid available from HUD in the form of grants, guarantees, loans, mortgage and loan insurance, homeownership and rental subsidies and technical assistance.

Programs of HUD will be updated periodically. Questions concerning program changes should be addressed to Communications Services, Office of Public Affairs, Room 9245, HUD, 451 Seventh Street SW, Washington, D.C. 20410. (Telephone (202) 755-5284.

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COMMUNITY DEVELOPMENT BLOCK GRANTS

2

Federal aid to promote sound community development.

Nature of Program: HUD awards "block" grants to local governments to fund a wide range of community development activities. In a single, flexible-purpose program, the block grants finance activities previously eligible under separate categorical grant programs: Urban Renewal; Neighborhood Development Grants; Model Cities; Water and Sewer Grants; Neighborhood Facilities Grants; Public Facilities Loans; Rehabilitation Loans; and Open Space, Urban Beautification and Historic Preservation Grants.

Spending priorities are determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment and expanded economic opportunities for lower-income groups. Specifically, recipients are required to estimate their lower-income housing needs and address them in the overall community development plan they submit to receive their grant.

Applicant Eligibility: Metropolitan cities and qualified urban counties are guaranteed an amount called an "entitlement." It is based on need, objectively calculated by a formula that takes into account population, poverty, overcrowded housing, age of housing and growth lag. Smaller communities compete for the remaining ("discretionary") funds. However, local governments that participated in certain categorical grant programs, but do not qualify for an equivalent block grant, are "held harmless" for three years; i.e., they are funded at the same average level in order to complete projects already under way. After the three years, hold-harmless recipients are funded at two-thirds of the excess of hold-harmless over formula amount for one year and then one-third of the excess for the next year.

Funding Distribution: Of each year's appropriation, three percent goes directly into the Secretary's discretionary fund which is available for contingencies, emergencies and other special purposes. The rest is divided between standard metropolitan statistical areas (generally cities of at least 50,000 population and urban counties of 200,000 or more) and non-metropolitan areas, with 80 percent earmarked for the former and 20 percent for the latter. Money for metropolitan areas is allocated first to entitlement and hold-harmless grants; the balance is available for discretionary grants. Non-metropolitan funds go first to hold-harmless recipients with the remainder reserved for discretionary grants.

Legal Authority: Title I, Housing and Community Development Act of 1974 (P.L. 93-383), as amended by Title I, Housing and Community Development Act of 1977 (P.L. 95-128).

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: $10.95 billion authorized for three years (fiscal years 1978-80). The program has been fully funded each year. More than 1,300 communities received entitlement grants in each of the first two years of the program's operation; approximately 1,800 qualified for discretionary grants in both years.

COMPREHENSIVE PLANNING ASSISTANCE

4

Grants to help State and local governments finance comprehensive planning activities.

Nature of Program: A broad range of planning and management activities is supported by grants of up to two-thirds of the cost of a project. The comprehensive planning defined by this program is an ongoing process by which needs are determined and long-term goals set for land use, housing, and community facilities, and proper weight given to human and natural resources, and the improvement of the living environment.

Applicant Eligibility: States, for both intra- and interstate planning; metropolitan clearinghouses; councils of governments; Indian Tribal groups or other governmental units having special needs.

Legal Authority: Section 701, Housing Act of 1954 (P.L. 83-560), as amended; Title IV, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Regional Offices and Area Offices.

Current Status: Active.

Scope of Program: As of September 30, 1977, $822,949,408 had been reserved for projects, and $21,331,318 allocated to studies, research and demonstrations.

REHABILITATION LOANS

Loans to assist rehabilitation in federally-aided Community Development Block Grant, Urban Homesteading (Section 810), Urban Renewal and Code Enforcement areas.

Nature of Program: Direct Federal loans finance rehabilitation of residential, mixed use, and nonresidential properties in the above areas certified by the local government. By financing rehabilitation to bring the property up to applicable code, project or plan standards, the loans prevent unnecessary demolition of basically sound structures. A loan may provide for insulation and installing of weatherization items.
Loans may not exceed $27,000 per dwelling unit or $50,000 for nonresidential properties and the actual amount of a loan may be less, depending on certain factors.

Applicant Eligibility: Property owners in the aforementioned federally-aided areas and business tenants of such property whose leases have at least as long to run as the terms of the loan. The applicant must evidence the capacity to repay the loan and be unable to secure necessary financing from other sources on comparable terms and conditions. Preference is given to low- and moderate-income applicants.

Legal Authority: Section 312, Housing Act of 1964 (P.L. 88-560), as amended.

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Regional Offices and Area Offices, and housing and community development agencies of local government.

Current Status: Active. Congress has authorized continuation of the program through September 30, 1979.

Scope of Program: From 1964 through September 30, 1977, rehabilitation loan reservations aggregated about $471 million with $85 million in reservations in fiscal year 1977.

URBAN DEVELOPMENT ACTION GRANTS

6 Grants to assist severely distressed cities and urban counties.

Nature of Program: Action Grants assist severely distressed cities and urban counties to revitalize local economies and reclaim deteriorated neighborhoods through a combination of public and private investments in projects of maximum benefit to low- and moderate-income persons and members of minority groups.

Priority will be given projects with prospects of recapturing the community's financial investment for recycling in other economic development activities. The private sector's financial commitment must be secured by the community prior to the start of a project to be funded with Action Grants. Generally, projects should take no more than four years to complete. No additional funding will be available in years following that in which a project was approved, although additional Action Grant funding may be available to support different projects during the life of the program.

Applicant Eligibility: Cities—including those participating in the Community Development Block Grant Program in cooperation with urban counties—and urban counties, provided that they (1) have demonstrated ongoing results in providing housing for low- and moderate-income persons and equal opportunity in housing and employment for low- and moderate-income persons and members of minority groups, and (2) have met minimum criteria that indicate physical and economic distress. These criteria include the age of the housing stock, per capita income, population outmigration, unemployment, poverty, and job lag in retailing and manufacturing. Interested communities must request a determination of eligibility from the HUD Area Offices before applications can be submitted.

Funding Distribution: Of each year's appropriation, at least 25 percent will be set aside for small communities with populations of 50,000 or under. Action Grant funding is not based on formula or entitlement. Rather, funding will be based on a "reasonable balance" of residential, commercial, or industrial projects. At least ten criteria will be considered in the selection of projects for funding. The primary criterion will be the comparative degree of physical and economic distress among all applicants. Applications will be accepted throughout the year—during the first month of each quarter—and awards will be announced during the last month of each quarter.

Legal Authority: Section 119, Housing and Community Development Act of 1977 (P.L. 95-128), as amended.

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Central and Area Offices.

Current Status: Active.

Scope of Program: $400 million in Action Grant assistance has been appropriated for Fiscal Year 1978.

MODEL CITIES

8

A comprehensive attack on social, economic, and physical problems in selected slum and blighted areas, using Federal, State, Local and private resources in a coordinated and concentrated manner.

Nature of Program: Grants and technical assistance helped cities to carry out comprehensive programs attacking the social, economic, and physical problems of blighted neighborhoods in selected localities. Cities were required to use and coordinate existing Federal grant-in-aid programs and State, local, and private resources, and to involve neighborhood residents in planning, monitoring, and evaluating comprehensive five-year plans.

Model Cities grants were designed to supplement and concentrate other Federal, State and local aid in selected areas. Eligible activities included: expanding housing, job and income opportunities, improving educational facilities; combatting disease; reducing crime and delinquency; enhancing recreational and cultural opportunities; improving the physical environment; and providing vital social services.

Applicant Eligibility: Municipalities of all sizes.

Legal Authority: Title I, Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754).

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Superseded by Housing and Community Development Act of 1974, under which Model Cities-type activities may be funded. See Community Development Block Grants.

Scope of Program:
Total number of projects 145 cities
Total funding
In planning grants: 22,222,450.47
In operating fund: 2,467,593,901.00
In technical assistance 29,503,753.00

NEIGHBORHOOD DEVELOPMENT

Financial assistance for neighborhood development in urban renewal. 9

Nature of Program: This program modified the urban renewal program to permit more rapid and flexible execution of the urban renewal plans within specified neighborhoods. Thus a community could proceed with the renewal of individual neighborhoods (contiguous or otherwise) which needed urgent action, while at the same time continuing to plan the total redevelopment of the area.

HUD awarded loans and grants for neighborhood development on the same basis as urban renewal except that all grants were made in 12-month increments.

Applicant Eligibility: Local governments, renewal agencies or housing authorities, depending upon State enabling legislation.

Legal Authority: Sections 131-134, Title I, Housing Act of 1949 (P.L. 81-171), as amended by Section 501(b), Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Superseded by Housing and Community Planning and Development Act of 1974, under which neighborhood development may be funded. See Community Development Block Grants.

Scope of Program: Total funding: $2,817,827,079.27, Number of communities: 430.

NEIGHBORHOOD FACILITIES

10 Grants to aid in establishing multipurpose neighborhood centers.

Nature of Program: Grants covering up to three-fourths of the development cost financed facilities for neighborhood health, welfare, educational, cultural, social, recreational, or similar community services. Both new construction and rehabilitation were eligible. The facility had to be: needed to carry out a program of community service; consistent with comprehensive planning for the area; and accessible to a significant proportion of the area's low- or moderate-income residents.

Applicant Eligibility: Local public bodies, agencies, or Indian tribes authorized under State or local law to undertake neighborhood facility projects.

Legal Authority: Section 703, Housing and Urban Development Act of 1965 (P.L. 89-117).

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Superseded by Housing and Community Development Act of 1974, under which neighborhood facilities may be funded. See Community Development Block Grants.

Scope of Program:
Total number of projects: 798
Total funding: $249,971,261.00

OPEN SPACE-URBAN BEAUTIFICATION-HISTORIC PRESERVATION

Federal grants to help communities develop parks, improve the appearance of public areas, and preserve historic sites.

Nature of Program: Originally three separate programs, Open Space, Urban Beautification and Historic Preservation were consolidated in 1970 to allow communities to fund these related objectives with a single Federal grant to encourage more aesthetic urban development; to preserve sites of historic or architectural value; and to provide necessary recreational, conservation, and scenic areas.

HUD paid up to 50 percent of the cost of land acquisition and construction or rehabilitation of related facilities.

Applicant Eligibility: States and local public bodies with the requisite authority to perform these functions.

Legal Authority: Title IV, Housing and Urban Development Act of 1970 (P.L. 91-609).

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Superseded by the Housing and Community Development Act of 1974, under which these activities may be funded. See Community Development Block Grants.

Scope of Program:
Total number of grants 4,585
Total funding: $591,449,104.00

PUBLIC FACILITY LOANS

12

Long-term loans to help communities finance the construction of needed public works.

Nature of Program: Loans for up to 40 years and covering up to 100 percent of project cost financed a variety of public works. These include water and sewer facilities, gas distribution systems, street improvements, public buildings (excluding schools), recreation facilities and jails. Loans were available only for those parts of a project not covered by other Federal aid. Smaller communities received priority.

Applicant Eligibility: Local governments or State agencies having the legal authority to build public works and issue bonds to pay for them.

Legal Authority: Title II, Housing Amendments of 1955 (P.L. 84-345).

Administering Office: Assistant Secretary for Housing-FHA Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Superseded by Housing and Community Development Act of 1974, under which public facilities may be funded. See Community Development Block Grants.

Scope of Program: HUD has financed projects totaling $481,482,556.34.

URBAN RENEWAL

Federal financial assistance to eliminate blight in defined urban areas.

Nature of Program: Grants, planning advances and temporary loans helped to eliminate blight in urban areas through surveys and planning; land acquisition and clearing; rehabilitation of existing structures; new building construction; and the installation of public improvements including streets and sidewalks, utilities and recreational areas; flood protection; and the preservation of historic structures.

A Federal grant paid two-thirds of the net cost for cities with populations over 50,000 and three-fourths for communities with populations under 50,000 and for areas, regardless of population, which were designated as economic development areas by the Department of Commerce.

Applicant Eligibility: Local public agencies, which may be local or county renewal agencies or housing authorities, or local or county departments of government, depending upon State enabling legislation.

Legal Authority: Title I, Housing Act of 1949 (P.L. 81-171), as amended.

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Regional Offices and Area Offices.

Current Status: Superseded by the Housing and Community Development Act of 1974, under which urban renewal may be funded. See Community Development Block Grants.

Scope of Program: As of June 30, 1976, the total of grants paid out and reserved for future repayment of urban renewal notes in the following categories.

Conventional	$10,080,715,504.42
Community Renewal	61,447,348.25
Code Enforcement	333,291,189.44
Interim Assistance	33,678,394.46
Demolition	23,674,081.21
Demonstration	10,442,926.90
Certified Areas	7,784,217.60
Fair Access to Insurance Requirements	3,490.00

WATER AND SEWER FACILITIES

14 Grants to finance community water and sewer facilities.

Nature of Program: Federal grants financed land and construction costs of basic public water and sewer facilities, excluding sewage treatment. These facilities must be consistent with a program for a coordinated areawide water and sewer facilities system as part of the comprehensive planned development of the area.

Generally, grants could not exceed 50 percent of eligible land and construction costs. Under certain limited conditions, a grant of up to 90 percent could be made to a community with a population of less than 10,000.

Applicant Eligibility: Cities, towns, counties, Indian tribes, public agencies or instrumentalities of one or more States, municipalities or political subdivisions; or boards or commissions established to finance capital improvement projects.

Legal Authority: Section 702, Housing and Urban Development Act of 1965 (P.L. 89-117), as amended.

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Superseded by the Housing and Community Development Act of 1974, under which water and sewer facilities may be funded. See Community Development Block Grants.

Scope of Program:
Total number of projects: 2,435,491
Funding: $1,102,683,533.00
491 projects still under construction.

Housing-Federal Housing Commissioner

16 One-to-Four Family Home Mortgage Insurance 15
17 Homeownership Assistance for Low- & Moderate-Income Families (Section 235)
18 Homeownership Assistance for Low- & Moderate-Income Families (Section 221(d)(2))
19 Housing in Declining Neighborhoods
20 Special Credit Risks
21 Condominium Housing
22 Cooperative Housing
23 Mobile Homes (Title 1)
24 Mobile Home Courts
25 Multifamily Rental Housing
26 Existing Multifamily Rental Housing
27 Multifamily Rental Housing for Low- & Moderate-Income Families (Section 221(d)(3) & (4))
29 Assistance to Non-Profit Sponsors of Low- and Moderate-Income Housing
30 Mortgage & Major Home Improvement Loan Insurance for Urban Renewal Areas
31 Rental & Cooperative Housing Assistance for Lower-Income Families (Section 236)
32 Rent Supplements
33 Lower-Income Rental Assistance (Section 8)
35 Low-Income Leased Public Housing (Section 23)
36 Low-Income Public Housing
37 Public Housing Modernization
38 Public Housing Operating Subsidies
39 Direct Loans for Housing for the Elderly or Handicapped (Section 202)
40 Mortgage Insurance for Housing for the Elderly
41 Nursing Homes and Intermediate Care Facilities (Section 232)
42 Hospitals
43 Group Practice Medical Facilities
44 Home Improvement Loan Insurance (Title 1)
45 Major Home Improvement Loan Insurance
46 Supplemental Loans for Multifamily Projects & Health Care Facilities
47 Single-Family Home Mortgage Coinsurance
48 Multifamily Housing Coinsurance
49 Graduated Payment Mortgage (Experimental Financing)
50 Indian Housing
52 College Housing
53 Armed Services Housing for Civilian Employees
54 Housing in Military Impacted Areas
55 Homes for Servicemen
56 Disaster Permanent Housing
57 Disaster Temporary Housing
58 The Office of Independent Living for the Disabled

ONE- TO FOUR-FAMILY HOME MORTGAGE INSURANCE (SECTION 203 (b) and (i))

16

Federal mortgage insurance to facilitate homeownership and the construction and financing of housing.

Nature of Program: By insuring commercial lenders against loss, HUD encourages them to invest capital in the home mortgage market. HUD insures loans made by private financial institutions for up to 97 percent of the property value and for terms of up to 30 years. The loans may finance homes in both urban and rural areas (except farm homes). Less rigid construction standards are permitted in rural areas.

Applicant Eligibility: Any person able to make the cash investment and the mortgage payments.

Legal Authority: Section 203(b) and (i), National Housing Act (1934), (P.L. 73-479).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active

Scope of Program: Cumulative activity through September 1977 10,212,194 units insured under Section 203(b) for a value of over $125 billion; close to 80,000 units in outlying areas insured under Section 203(i) for a value of $600 million.

HOMEOWNERSHIP ASSISTANCE FOR LOW- AND MODERATE-INCOME FAMILIES (REVISED SECTION 235)

Mortgage insurance and interest subsidy for low- and moderate-income home buyers.

Nature of Program: To enable eligible families to afford new homes that meet HUD standards, HUD insures mortgages and makes monthly payments to lenders to reduce interest to as low as 4 percent. The homeowner must contribute 20 percent of adjusted income to monthly mortgage payments and must make a downpayment of 3 percent of the cost of acquisition. There are dollar limits on loans and sales prices. Mortgage limits are $32,000 ($38,000 for homes for 5 or more persons), and in high cost areas $38,000 ($44,000 for homes for 5 or more persons). The income limit for initial occupancy is 95 percent of the area median income.

Prior to 1976, this program provided larger subsidies to lower-income households and required a substantially smaller investment from them.

Applicant Eligibility: A home buyer's adjusted income may not exceed a certain percentage of local median income. There is no restriction on assets.

Legal Authority: Section 235, National Housing Act (1934), as added by Section 101, Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active in its revised form.

Scope of Program: Cumulative activity through September 1977: 478,553 units have been insured with a value of about $8.6 billion.

HOMEOWNERSHIP ASSISTANCE FOR LOW- AND MODERATE-INCOME FAMILIES (SECTION 221(d)(2))

18

Mortgage insurance to increase homeownership opportunities for low- and moderate-income families, especially those displaced by urban renewal.

Nature of Program: HUD insures lenders against loss on mortgage loans to finance the purchase, construction or rehabilitation of low-cost, one- to four-family housing. Maximum insurable loans for an owner-occupant are $31,000 for a single-family home (up to $36,000 in high cost areas). For a larger family (five or more persons), the limits are $36,000 or up to $42,000 in high cost areas. Higher mortgage limits apply to two- to four-family housing.

Applicant Eligibility: Anyone may apply; displaced households qualify for special terms.

Legal Authority: National Housing Act (1934), (P.L. 73-479), as added by Section 123, Section 221(d)(2), Housing Act of 1954 (P.L. 83-560).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative activity through September 1977: 837,092 units insured for a value of over $11 billion.

Mortgage insurance to purchase or rehabilitate housing in older, declining urban areas.

Nature of Program: In consideration of the need for adequate housing for low- and moderate-income families, HUD insures lenders against loss on mortgage loans to finance the purchase, rehabilitation, or construction of housing in older, declining, but still viable urban areas where conditions are such that normal requirements for mortgage insurance cannot be met. This provision relaxed these requirements but specified that the property must be an "acceptable risk." The terms of the loans vary according to the HUD/FHA program under which the mortgage is insured.

Applicant Eligibility: Homeowners or project owners eligible for the FHA mortgage insurance they are seeking.

Legal Authority: Section 223(e), National Housing Act (1934), (P.L. 73-479), as added by Section 103(a), Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: In the 9 years since its inception, 187,824 units were insured for a total of $2,070,432,528.

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Mortgage insurance and homeownership counseling for low- and moderate-income families with a credit history that does not qualify them for insurance under normal standards.

Nature of Program: HUD insures lenders against loss on home mortgage loans to low- and moderate-income families which are marginal credit risks. HUD is also authorized to provide budget, debt-management, and related counseling services to these families when needed. These services are performed by local HUD-approved organizations. Applicants may seek credit assistance under most FHA home mortgage insurance programs.

Applicant Eligibility: Low- and moderate-income households with credit records indicating ability to manage their financial and other affairs successfully if given budget, debt-management, and related counseling.

Legal Authority: Section 237, National Housing Act (1934), (P.L. 73-479), as added by Section 102, Housing and Urban Development Act of 1968, (P.L. 90-448).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active as an insurance program.

Scope of Program: Cumulative activity through September 1977: 3,601 units with a value of $51,502,258 insured.

CONDOMINIUM HOUSING

Federal mortgage insurance to finance ownership of individual units in multifamily housing projects.

Nature of Program: HUD insures mortgages made by private lending institutions for the purchase of individual family units in multifamily housing projects under Section 234(c). Sponsors may also obtain FHA-insured mortgages to finance the construction or rehabilitation of housing projects which they intend to sell as individual condominium units under Section 234(d). A project must contain at least four dwelling units; they may be in detached, semi-detached, row, walkup, or elevator structures.

A condominium is defined as joint ownership of common areas and facilities by the separate owners of single dwelling units in the project.

Applicant Eligibility: Any qualified profit-motivated or nonprofit sponsor may apply for a blanket mortgage covering the project after conferring with his local FHA insuring office; any credit-worthy person may apply for a mortgage on individual units in a project.

Legal Authority: Section 234, National Housing Act, (1934), (P.L. 73-479), as added by Housing Act of 1961 (P.L. 87-70), and as amended.

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative activity to June 1977: 617 projects with 35,760 units insured for a value of $330,645,306.

COOPERATIVE HOUSING

22 Federal mortgage insurance to finance cooperative housing projects.

Nature of Program: HUD insures mortgages made by private lending institutions on cooperative housing projects of five or more dwelling units to be occupied by members of nonprofit cooperative ownership housing corporations. These loans may finance: new construction, rehabilitation, acquisition, improvement or repair of a project already owned, and resale of individual memberships; construction of projects composed of individual family dwellings to be bought by individual members with separate insured mortgages; and construction or rehabilitation of projects that the owners intend to sell to nonprofit cooperatives.

Applicant Eligibility: Nonprofit corporations or trusts organized to construct homes for members of the corporation or beneficiaries of the trust; and qualified sponsors who intend to sell the project to a nonprofit corporation or trust.

Legal Authority: Section 213, National Housing Act (1934), (P.L. 73-479), as added by Section 114, Housing Act of 1950 (P.L. 81-475).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative activity to June 1977: 2,062 projects with 116,165 units insured for a value of $1,583,489,959.

MOBILE HOMES (TITLE 1)

Federal insurance of loans to finance the purchase of mobile homes.

Nature of Program: To facilitate financing of mobile home purchases, thereby providing alternative lower-cost housing, HUD insures mobile home loans by private lending institutions. Loans may be insured for up to $16,000 and 15 years on single-module units and for $24,000 over 23 years for double-module units. The maximum allowable interest on both types is 12 percent.

Applicant Eligibility: Any person able to make the cash investment and the mortgage payments.

Legal Authority: Section 2, Title 1, National Housing Act (1934), (P.L. 73-479).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Program activity through October 1977: over 60,000 loans with an insured value of about $580 million.

MOBILE HOME COURTS

24 Federal mortgage insurance to finance construction or rehabilitation of mobile home courts.

Nature of Program: To help finance construction or rehabilitation of mobile home courts, HUD insures mortgages made by private lending institutions on the entire site. Mortgages are limited to $3,250 per individual mobile home space within each park. In high-cost areas, this maximum may be 50 percent higher. The park must be located in an area approved by HUD in which market conditions show a need for such housing.

Applicant Eligibility: Investors, builders, developers, cooperatives and others who meet HUD requirements may apply to an FHA-approved lending institution conferring with the local HUD office.

Legal Authority: Section 207, National Housing Act (1934), (P.L. 73-479).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Office.

Current Status: Active.

Scope of Program: Cumulative activity through June 1977: nearly 64,000 spaces insured for a value of over $188 million.

MULTIFAMILY RENTAL HOUSING

Federal mortgage insurance to facilitate construction and financing of a broad cross section of rental housing.

Nature of Program: HUD insures mortgages made by private lending institutions to finance the construction or rehabilitation of multifamily rental housing by private or public developers. The project must contain at least eight dwelling units. Housing financed under this program, whether in urban or suburban areas, should be able to accommodate families (with or without children) at reasonable rents.

Applicant Eligibility: Investors, builders, developers, and others who meet HUD requirements may apply for funds to an FHA-approved lending institution after conferring with their local HUD office. The housing project must be located in an area approved by HUD for rental housing and in which market conditions show a need for such housing.

Legal Authority: Section 207, National Housing Act (1934), (P.L. 73-479), as amended.

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative projects insured through June 1977. 2,614 projects with 282,782 units, cumulative amount insured. $3.89 billion.

EXISTING MULTIFAMILY RENTAL HOUSING

26

Federal mortgage insurance to facilitate purchase or refinancing of existing apartment projects.

Nature of Program: HUD insures mortgages to purchase or refinance existing multifamily projects originally financed with or without Federal mortgage insurance. HUD may insure mortgages on existing multifamily projects under this program that do not require substantial rehabilitation. Project must contain eight or more units, and must be at least three years old.

Applicant Eligibility: Investors, builders, developers, and others who meet HUD requirements.

Legal Authority: Section 223(f), National Housing Act (1934), (P.L. 73-479), as added by Section 311, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative through June 1977, 112 projects were insured with 19,759 units valued at $307,719,380.

MULTIFAMILY RENTAL HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES (SECTION 221(d)(3) and (4))

Mortgage insurance to finance rental or cooperative multifamily housing for low- and moderate-income households.

Nature of Program: To help finance construction or substantial rehabilitation of multifamily (5 or more units) rental or cooperative housing for low- and moderate-income or displaced families, HUD conducts two related programs. Both insure project mortgages at the FHA ceiling interest rate. Projects in both cases may consists of detached, semi-detached, row, walk-up, or elevator structures. The insured mortgage amounts are controlled by statutory dollar limits per unit which are intended to assure moderate construction costs. Units financed under both programs may qualify for assistance under Section 8 if occupied by eligible low-income families.

Currently, the principal differences between the programs are two: HUD may insure 100 percent of total project cost under Section 221(d)(3) for nonprofit and cooperative mortgagors but only 90 percent under Section 221(d)(4) irrespective of the type of mortgagor, and statutory unit limit mortgage amounts are less for Section 221(d)(3) than for Section 221(d)(4).

Formerly, the two programs were distinguished by these additional differences. Projects financed under 221(d)(3) could qualify for a below-market interest rate (as low as 3 percent) and for rent supplements. Consequently, these projects were limited to a lower statutory cost ceiling per unit than was allowed under 221(d)(4) projects which did not benefit from these subsidies. Below-market interest rates and rent supplements are no longer available for new projects for these programs.

Applicant Eligibility: Section 221(d)(3) mortgages may be obtained by public agencies, nonprofit, limited-dividend or cooperative organizations; private builders or investors who sell completed projects to such organizations. Section 221(d)(4) mortgages are limited to profit-motivated sponsors. Tenant occupancy is not restricted by income limits, except in the case of tenants receiving subsidies.

Legal Authority: Sections 221(d)(3) and (4), National Housing Act (1934), (P.L. 73-479), as added by Housing Act of 1954, (P.L. 83-560).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

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Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative activity through June 1977: 1,595 projects under Section 221(d)(3) with 132,858 units insured for a value of $1,782,109,137; 2,331 projects under Section 221(d)(4) with 281,731 units insured for a value of $4,670,329,338.

ASSISTANCE TO NONPROFIT SPONSORS OF LOW- AND MODERATE-INCOME HOUSING

Technical assistance and loans to sponsors of certain HUD-assisted housing.

Nature of Program: To stimulate the production of housing for low- and moderate-income families, HUD provides information and technical advice to nonprofit organizations that sponsor such multifamily housing.

HUD also makes interest-free "seed money" loans to nonprofit sponsors or public housing agencies to cover 80 percent of the preliminary development costs. Current HUD regulations limit these loans to nonprofit sponsors of Section 202 housing for the elderly or handicapped. Loans may be used to meet typical project development costs, such as surveys and market analysis, site engineering, architectural fees, site acquisition, and application and loan commitment fees. Loans are made from a revolving Low- and Moderate-Income Sponsor Fund.

Applicant Eligibility: Nonprofit sponsors eligible under HUD regulations and public housing agencies.

Legal Authority: Sections 106(a) and (b), Housing and Urban Development Act of 1968, (P.L. 90-448).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active with respect to Section 106(b) loans for Section 202 housing for the elderly and handicapped.

Scope of Program: Cumulative activity through fiscal year 1976: 260 loans approved for a total amount of $8,155,151.

MORTGAGE AND MAJOR HOME IMPROVEMENT LOAN INSURANCE FOR URBAN RENEWAL AREAS

30

Federally insured loans to finance mortgages on housing in urban renewal areas and to alter, repair or improve one- to eleven-family housing in those areas.

Nature of Program: HUD insures mortgages on new or rehabilitated homes or multifamily structures located in designated urban renewal areas with concentrated programs of code enforcement and neighborhood development. HUD insures supplemental loans to finance improvements that will enhance and preserve salvageable homes and apartments in designated urban renewal areas.

Applicant Eligibility: Investors, builders, developers, individual homeowners, and apartment owners.

Legal Authority: Sections 220 and 220(h), National Housing Act (1934), (P.L. 73-479), as added by Section 102(a)(3), Housing Act of 1961 (P.L. 87-70).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active but infrequently used. Urban renewal related activities are being phased out.

Scope of Program: Cumulative home improvement loan activity through September 1977: 7 loans on 8 units with a value of $35,550 insured; cumulative mortgage insurance through June 1977: 392 projects with 71,115 units and a total value of $1,374,911,602.

RENTAL AND COOPERATIVE HOUSING ASSISTANCE FOR LOWER-INCOME FAMILIES (SECTION 236)

Mortgage insurance and interest reduction and operating subsidies to reduce rents for lower-income households.

Nature of Program: Originally HUD insured multifamily mortgages and paid interest subsidies to lenders which allowed the mortgage to be paid off by the project owner at an interest rate as low as one percent. The reduction this made possible in monthly rents was designed to produce new or substantially rehabilitated rental or cooperative units for lower-income households. Tenants contribute 25 percent of adjusted income or the basic rent, whichever is the greater. Beginning in 1974, HUD paid additional subsidies to cover the difference between the tenants' contribution and the actual costs of operating the project.

Applicant Eligibility: Nonprofit, limited-dividend or cooperative organizations, or private builders or investors who sell the project to such organizations. Both tenants who can afford fair market rents and those who cannot may occupy these projects; only the latter will be subsidized.

Legal Authority: Section 236, National Housing Act (1934), (P.L. 73-479),as added by Section 201, Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Assistant Secretary for Housing--Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Inactive. The housing subsidy moratorium of January 5, 1973, suspended this program; current activity consists mainly of funding bona fide commitments issued before the moratorium and amending existing contracts.

Scope of Program: Cumulative activity through June 1977: 4,217 projects with 460,188 units insured for $7.9 billion.

RENT SUPPLEMENTS

32

Federal payments to reduce rents for certain disadvantaged low-income persons.

Nature of Program: HUD may pay rent supplements on behalf of eligible tenants to certain private owners of multifamily housing insured by the Federal Housing Administration. The payment makes up the difference between 25 percent of a tenant's adjusted income and the fair market rent determined by HUD. However, the subsidy may not exceed 70 percent of the HUD approved rent for the specific unit. HUD may pay the supplements for a maximum term of 40 years.

Applicant Eligibility: Private nonprofit, limited dividend, cooperative, or public agency sponsors carrying mortgages insured under the following programs may apply for rent supplements: Sections 221(d)(3), 231, 236, and Section 202. (The basic mortgage insurance vehicle has been the Section 221(d)(3) Market Interest Rate program.) Eligible tenants are limited to low-income households that qualify for public housing and are either elderly, handicapped, displaced by government action, victims of national disaster, occupying substandard housing, or headed by a person serving on active military duty.

Legal Authority: Section 101, Housing and Urban Development Act of 1965, (P.L. 89-117).

Administering Office: Assistant Secretary for Housing--Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: New rent supplement contracts are no longer available. The program was suspended under the housing subsidy moratorium of January 5, 1973. Current activity consists of amending contracts for existing rent supplement projects and processing conversions of Section 236 rent supplement units to Section 236 "deep subsidy" assistance, as authorized by the Housing and Community Development Act of 1974.

Scope of Program: Through June 1977, 3,268 projects with 317,665 units. The total amount allocated over the life of the program was $300 million.

LOWER-INCOME RENTAL ASSISTANCE (SECTION 8)

A rent subsidy for lower-income families to help them afford decent housing in the private market.

Nature of Program: HUD makes up the difference between what a lower-income household can afford and the fair market rent for an adequate housing unit. No eligible tenant need pay more than 25 percent of adjusted income toward rent. Housing thus subsidized by HUD must meet certain standards of safety and sanitation, and rents for these units must fall within the range of fair market rents as determined by HUD. This rental assistance may be used in existing housing or in new construction or, substantially rehabilitated units. Different procedures apply in each case.

Local public housing agencies administer the existing housing program, certifying eligible tenants, inspecting the units proposed for subsidy, and contracting with approved landlords for payment. (Tenants execute separate leases with landlords to pay their share of rent.)

Nonprofit and profit-motivated developers, alone or together with public housing agencies, submit proposals for substantial rehabilitation or new construction in response to invitations from HUD, or they may apply to their State housing finance agency. On approval of the proposals, HUD contracts to subsidize the units to be occupied by eligible families.

Applicant Eligibility: Tenants must be lower-income households with incomes amounting to 80 percent of the area median income or less. Project sponsors may be private owners, profit-motivated and nonprofit or cooperative organizations, public housing agencies and State housing finance agencies.

Legal Authority: Section 8, U.S. Housing Act of 1937, (P.L. 73-479), as added by Housing and Community Development Act of 1974, (P.L. 93-383).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

34

Current Status: Active.

Scope of Program: 169,396 units of new construction or rehabilitation and 161,581 units of existing housing were reserved and slated for Federal subsidy in fiscal year 1977. Since the start of the Section 8 program in early summer of 1975, 946,218 units have been reserved and 295,000 of these were occupied as of September 30, 1977.

LOW-INCOME LEASED PUBLIC HOUSING (SECTION 23)

Private housing leased for low-income use.

Nature of Program: HUD pays basic annual contributions which permit local public agencies to lease decent private housing for low-income families at rents they can afford. The annual contributions make up the difference between the rents paid to private owners (plus local public agency operating expenses) and what low-income tenants can afford. That amount is based upon the tenant income but may not exceed 25 percent of adjusted income. The annual contributions cannot exceed the amount that would be paid by the local public agency for a newly constructed project designed to accommodate comparable numbers, sizes and kinds of families. The basic contribution may be adjusted for higher operating costs due to tax or utility increases.

Applicant Eligibility: Local housing authorities or agencies authorized to perform similar functions.

Legal Authority: Section 23, U.S. Housing Act of 1937, as added by Section 103(a), Housing and Urban Development Act of 1965, (P.L. 89-117).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Superseded by the Lower-Income Rental Assistance (Section 8) program. Section 23 projects may be converted to the Section 8 program.

Scope of Program: As of December 31, 1975, HUD was making annual payments on a total of 163,297 units. Of these, 72,524 were new construction, 23,751 were rehabilitated, and 67,022 were existing units.

36

Federal aid to local public housing agencies to provide decent shelter for low-income residents at rents they can afford.

Nature of Program: Local public housing agencies develop, own and operate low-income public housing projects, financing them through the sale of tax-exempt obligations. HUD furnishes technical and professional assistance in planning, developing and managing the projects and gives two kinds of financial assistance: preliminary loans for planning; and annual contributions to pay the debt service of PHA obligations, assure low rents and maintain adequate services and reserve funds. Rents that are based on the residents' ability to pay contribute to the costs of managing and operating the housing.

Several different methods are used to provide housing. Under the "Turnkey" program, the PHA invites private developers to submit proposals, selects the best proposal and agrees to purchase the project on completion. Under conventional-bid construction, the PHA acts as its own developer, acquiring the site(s), preparing its own architectural plans, and advertising for competitive bids for construction. The PHA may also acquire existing housing, with or without rehabilitation, from the private market under the acquisition program.

Applicant Eligibility: Public housing agencies established by local governments in accord with State law.

Legal Authority: U.S. Housing Act of 1937, as amended, (P.L. 75-412), Title 11, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Approximately $101.6 million of contract authority was approved for 49,400 units during fiscal year 1977; about $137.5 million has been budgeted for 50,000 units during fiscal 1978.

As of June 30, 1977, 34,200 units were under construction, and 39,500 were in the preconstruction processing stage.

PUBLIC HOUSING MODERNIZATION

Federal aid to public housing agencies (PHAs) to finance capital improvements in public housing projects.

Nature of Program: HUD finances capital improvements in PHA-owned, low-income housing projects to upgrade living conditions, correct physical deficiencies, and achieve operating efficiency and economy. Within the limits of an existing Annual Contributions Contract (ACC), PHAs obtain modernization funds through a direct HUD loan or from temporary or permanent private financing of federally guaranteed notes or bonds. This increases the development cost of the project, which is amortized through annual contributions toward debt service over the remaining life of the contract.

Applicant Eligibility: Public housing agencies operating federally assisted public housing projects under an existing Annual Contributions Contract.

Legal Authority: U.S. Housing Act of 1937, (P.L. 75-412), as amended by Section 7(d), Department of Housing and Urban Development Act of 1965 (P.L. 89-174).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Number of PHAs participating in fiscal year 1978, approximately 800; funding: $2,566.6 million in capital funds from fiscal 1968 to fiscal 1978, $474.7 million in capital funds fiscal 1978 only.

PUBLIC HOUSING OPERATING SUBSIDIES

38 Federal grants to help operate public housing projects.

Nature of Program: HUD provides operating subsidies required to help Public Housing Agencies (PHAs) maintain and operate their projects, retain minimum operating reserves and offset certain operating deficits. The operating subsidies are based on the Performance Funding System (PFS). Implemented on April 1, 1975, this system replaced the previous Interim Funding formula. It calculates operating subsidies based on what it costs a well-managed PHA to operate its units. During fiscal years 1974, 1975 and 1976, special operating subsidy funding was directed to "target" projects that encountered severe operational problems.

Applicant Eligibility: All public housing agencies that administer low-income housing under Annual Contributions Contracts with HUD.

Legal Authority: Section 9, U.S. Housing Act of 1937, (P.L. 75-412); Title II, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary of Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Operating subsidies appropriated for Fiscal Year 1978 total $685 million.

DIRECT LOANS FOR HOUSING FOR THE ELDERLY OR HANDICAPPED (SECTION 202)

To provide housing and related facilities for the elderly or handicapped.

Nature of Program: Long-term direct loans to eligible, private, nonprofit sponsors finance rental or cooperative housing facilities for elderly or handicapped persons. The current interest rate is based on the average rate paid on Federal obligations during the preceding fiscal year. (Until the program was revised in 1974, the statutory rate was 3 percent.) Participation in the Section 8 rental housing program is required for a minimum of 20 percent of the Section 202 units.

Applicant Eligibility: Private, nonprofit sponsors may qualify for loans. Households of one or more persons, the head of which is at least 62 years old or is handicapped, are eligible to live in the structures.

Legal Authority: Section 202, Housing Act of 1959 (P.L. 86-372).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: From the date of enactment through 1972, loans for 45,275 units have been approved with a value of $579,444,000. After a brief suspension, the program was revised and reactivated by the Housing and Community Development Act of 1974. From resumption to September 30, 1976, loans were approved for 26,400 units; 21,000 units were approved for fiscal year 1977 and approximately 25,000 units are anticipated for fiscal year 1978.

MORTGAGE INSURANCE FOR HOUSING FOR THE ELDERLY

40 Federal mortgage insurance to facilitate financing of rental housing for the elderly or handicapped.

Nature of Program: To assure a supply of rental housing suited to the needs of the elderly or handicapped, HUD insures mortgages to build or rehabilitate multifamily projects consisting of eight or more units.

Applicant Eligibility: Investors, builders, developers, public bodies, and nonprofit sponsors may qualify for mortgage insurance. Persons at least 62 years old are eligible to rent such units.

Legal Authority: Section 231, National Housing Act (1934), (P.L. 73-479), added by Section 201 Housing Act of 1959 (P.L. 86-372).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative activity through June 1977 363 projects with 52,746 units insured for $782,759,340.

NURSING HOMES AND INTERMEDIATE CARE FACILITIES (SECTION 232)

Federal mortgage insurance to facilitate financing of nursing or intermediate care facilities.

Nature of Program: HUD insures mortgages to finance construction or renovation of facilities to accommodate 20 or more patients requiring skilled nursing care and related medical services, or those in need of minimum but continuous care provided by licensed or trained personnel. Nursing home and intermediate care services may be combined in the same facility covered by an insured mortgage or may be separate facilities. Major equipment needed to operate the facility may be included in the mortgage.

Applicant Eligibility: Investors, builders, developers, and private nonprofit corporations or associations, which are licensed or regulated by the State to accommodate convalescents and persons requiring skilled nursing care or intermediate care, may qualify for mortgage insurance. Patients requiring skilled nursing or intermediate care are eligible to live in these facilities.

Legal Authority: Section 232, National Housing Act (1934), (P.L. 73-479), added by Section 115, Housing Act of 1959 (P.L. 86-372).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: From date of enactment through June 1977: 1,154 projects with 131,420 beds were insured for a value of over $1.3 billion.

42 Federal mortgage insurance to finance construction or rehabilitation of nonprofit and proprietary hospitals, including major movable equipment.

Nature of Program: HUD insures mortgages to facilitate financing of urgently needed hospitals for the treatment of persons who require medical care furnished only (or most effectively) by hospitals. Loan-to-value ratio for new construction is 90 percent; for rehabilitation it varies slightly from this figure. Term of mortgage is 25 years. The Department of Health, Education and Welfare processes and reviews all applications under this program.

Applicant Eligibility: Proprietary and nonprofit hospitals certified by the responsible State agency in accordance with Section 604(a)(1) of the Public Health Services Act may apply.

Legal Authority: Section 242, National Housing Act (1934), (P.L. 73-479).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Number of projects: 138; number of beds: 34,449; funding: $1,701 244,260 over a 9-year period.

GROUP PRACTICE MEDICAL FACILITIES

Federal mortgage insurance to finance the construction, rehabilitation and equipment of facilities for group practice of medicine, dentistry and optometry.

Nature of Program: HUD insures mortgages on group practice medical facilities to relieve overburdened hospitals and nursing homes. This insurance facilitates the financing of necessary professional care unavailable in small communities geographically separated from city or county hospital centers. The maximum insurable loan may cover 90 percent of new construction costs; for rehabilitation, the loan-to-value ratio varies slightly from this figure. Term of mortgage is 25 years or ¾ of remaining economic life (whichever is less). Both HUD and the Department of Health, Education and Welfare review applications.

Applicant Eligibility: Nonprofit organizations must own the facilities, but they may be used by a profit-motivated group of doctors, dentists, optometrists, osteopaths, or podiatrists. The owners must be unable to obtain comparable mortgages without FHA insurance.

Legal Authority: Title XI, National Housing Act (1934), (P.L. 73-479), as added by Section 502, Demonstration Cities and Metropolitan Development Act of 1966 (P.L. 89-754).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Number of projects: 26; number of full-time professionals: 832; funding over a 11-year period: $40,025,098.

HOME IMPROVEMENT LOAN INSURANCE (TITLE 1)

44

Federal insurance of loans to finance home improvements.

Nature of Program: HUD insures loans to finance major and minor improvements, alterations and repairs of individual homes and nonresidential structures (whether owned or rented). The loans may be up to $15,000, bear interest up to 12 percent, and be paid back over 15 years. Loans on apartment buildings with a term of 12 years may be as high as $5,000 per unit, but the total for the building may not exceed $25,000, and the term may not exceed 12 years. Loans may also finance new construction for agriculture or nonresidential use. Lenders determine eligibility for and process these loans. Loans of not more than $7,500 are generally unsecured personal loans.

Applicant Eligibility: Credit-worthy property owners or tenants whose leases are at least 6 months longer than the loan term.

Legal Authority: Section 2, Title 1, National Housing Act (1934), (P.L. 73-479) as amended by Housing Act of 1956 (P.L. 84-1020).

Administering Office: Assistant Secretary for Housing- Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative activity through October 1977: 32 million loans insured for a value of over $26 billion.

MAJOR HOME IMPROVEMENT LOAN INSURANCE

Federal insurance of loans to finance major home improvements.

Nature of Program: HUD insures loans for major home improvements or alterations to qualified one- to four-family dwellings. The maximum loan amount is $12,000 per family unit, with an additional allowance for high cost areas; the maturity of the note may not exceed 20 years. Interest on these loans is limited to the current FHA interest rate, and they are secured by a junior lien on the property. To qualify for loan insurance, the property must be at least 10 years old, unless the alterations make major structural improvements, correct faults not known when the structure was completed, or repair casualty damage.

Applicant Eligibility: Any owner of a one- to four-family dwelling, as qualified above

Legal Authority: Section 203(k), National Housing Act (1934), as amended by Section 102(b), Housing Act of 1961, (P.L. 87-70).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active but infrequently used. See also Home Improvement Loan Insurance (Title I).

Scope of Program: Cumulative home improvement loans insured through September 1977: 2,827 cases covering 2,943 units. Cumulative amount insured: $17,676,320.

SUPPLEMENTAL LOANS FOR MULTIFAMILY PROJECTS AND HEALTH CARE FACILITIES

46

Federal loan insurance to facilitate financing of improvements to multifamily rental housing and health care facilities.

Nature of Program: HUD insures loans made by private lending institutions to pay for improvements to apartment projects, nursing homes, hospitals or group practice facilities that carry HUD-insured mortgages. By law projects in the above categories may also obtain FHA insurance on loans to expand housing opportunities or provide fire and safety equipment, regardless of whether HUD insured the original mortgage, though HUD regulations restrict the program to insured or Secretary-held mortgages.

Applicant Eligibility: Qualified owners of projects and health care facilities (as specified above) may apply for insured loans after conferring with their local HUD office.

Legal Authority: Section 241, National Housing Act (1934), (P.L. 73-479), as added by Section 307, Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative loans insured through April 1977: 49 projects, covering 3,777 rental units, and 2,584 beds (in health care facilities). Cumulative amount insured: $21,876,809.

SINGLE-FAMILY HOME MORTGAGE COINSURANCE

Joint mortgage insurance by the Federal Government and private lenders to facilitate homeownership financing.

Nature of Program: HUD offers an additional and optional method of insuring lenders against losses on loans that they make to finance the purchase of one- to four-family homes. In return for the right to expedite preliminary processing procedures by performing them himself, the lender assumes responsibility for a portion of the risk (10 percent) and may retain a portion of the insurance premium. Thus coinsurance is expected to result in faster service to the buyer and to improve quality of loan origination and servicing.

For borrowers, the program operates just like the full insurance programs. The major differences affect the lending institution, which performs the loan underwriting and property disposition functions normally carried out by HUD alone.

Applicant Eligibility: Everyone eligible for mortgage insurance under the full insurance programs may apply for coinsured loans to lenders approved by HUD as coinsurers. The coinsuring lender, (any mortgagee approved by FHA), based upon the characteristics of the property and the credit qualifications of the borrower, determines whether to make the loan.

Legal Authority: Section 244, National Housing Act (1934), (P.L. 73-479), as added by Section 307, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: As of October 1, 1976, the program was active in HUD field offices.

Scope of Program: As of September 1977, 1,792 units were coinsured for an amount of $51,253,100.

MULTIFAMILY HOUSING COINSURANCE

48 Joint mortgage insurance by the Federal Government and State Housing Finance Agencies to facilitate financing of rental housing.

Nature of Program: HUD insures 80 percent of the losses on mortgages made by State housing finance agencies to finance multifamily projects. This guarantee makes it easier for the State agencies to obtain credit in the private market through the issuance of State bonds. The remaining 20 percent of the risk is borne by the agencies themselves and, indirectly, by investors in the bonds.

Applicant Eligibility: State Housing Finance Agencies.

Legal Authority: Section 244, National Housing Act (1934) (P.L. 73-479), as added by Section 307, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active but still in preliminary stage.

Scope of Program: Indicators of program volume are not yet available.

GRADUATED PAYMENT MORTGAGE

Federal mortgage insurance for Graduated Payment Mortgages.

Nature of Program: HUD insures mortgages to facilitate early homeownership for households that expect their incomes to rise substantially. These "graduated payment mortgages" allow homeowners to make smaller monthly payments initially and to increase their size gradually over time.

Five different payment plans are available, varying in duration and rate of increase. Larger than usual downpayments are permitted to prevent the total amount of the loan from exceeding the face value of the mortgage at any given time. In all other respects, the graduated payment mortgage is subject to the rules governing ordinary HUD insured home loans.

Applicant Eligibility: All FHA-approved lenders may make graduated payment mortgages; credit-worthy applicants with reasonable expectations of increasing income may qualify for such loans.

Legal Authority: Section 245, National Housing Act (1934), (P.L. 73-479), as added by Section 308, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active, but still in early stages of implementation.

Scope of Program: Indicators of program volume are not yet available. However, the outstanding aggregate principal amount of mortgages insured under this program may not exceed 1 percent of the outstanding total insured during any fiscal year by HUD.

50

Federal aid to Indian housing authorities to provide decent housing and related facilities in Indian areas, including the Pacific Trust Territory.

Nature of Program: Indian housing authorities develop and operate rental and homeownership projects, financing them through the sale of tax-exempt obligations. HUD furnishes technical and professional assistance in planning, developing and managing the projects and also gives financial assistance in the form of annual contributions to pay the debt service of IHA obligations. For rental projects, the contributions also assure low rents and maintain adequate services and reserve funds. The IHA is responsible for all maintenance costs on these projects. Rents that are based on the residents' ability to pay contribute to the costs of managing and operating the housing.

The homeownership projects, called "Mutual Help," allow the buyer-occupant to earn equity in his home by contributing the site, indigenous building materials, labor and/or cash to its construction. He is also responsible for all maintenance.

Several different methods are used to produce housing. Under the "Turnkey" program, the IHA invites private developers to submit proposals, selects the best proposal and agrees to purchase the project on completion. Under conventional-bid construction, the IHA acts as its own developer, acquiring the site(s), preparing its own architectural plans, and advertising for competitive bids for construction. In exceptional cases, the IHA may exclude competitive bidding. The IHA may also acquire existing housing, with or without rehabilitation, from the private market.

Applicant Eligibility: Indian Housing Authorities (IHAs) established under tribal or State law.

Legal Authority: U.S. Housing Act of 1937 (P.L. 75-412), as amended by Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: All HUD Area Offices, HUD Regional Offices in Denver, Colorado and San Francisco, CA.

Current Status: Active.

Scope of Program: Approved during fiscal year 1977. 8,000 units, $32.7 million in annual contributions; $430.6 million in loans.

Anticipated fiscal year 1978 approvals: 6,000 units; $23.7 million in contract authority; $285 million in loans.

COLLEGE HOUSING

52 Federal aid to educational institutions for housing and related facilities for students and faculties.

Nature of Program: HUD may give two types of assistance: direct Federal loans and debt service grants to support private market loans. Loans are available for a maximum of 50 years although they have been limited administratively to 40 years. The interest rate is 3 percent. Debt service grants may be made for a period of up to 40 years, in an amount equal to the difference between the average annual debt service on a commercial loan and the debt service on a 3-percent direct Federal loan.

Applicant Eligibility: Any college offering at least a 2-year program acceptable for full credit towards a bachelor's degree; and private and public nonprofit teaching hospitals for the construction of housing for student nurses, interns and residents. Qualifying institutions must show a current, severe housing shortage.

Legal Authority: Title IV, Housing Act of 1950 (P.L. 81-475).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: The grant portion of the program is inactive. In December 1974, Congress rescinded unused debt service grant funds. Thus HUD may not award grants for college housing. The loan portion of the program is being reactivated with $155 million available from repayments of previous loans. Actual operations are expected to resume in 1977.

Scope of Program: Loans–Number of projects: 3,790; number of accommodations: 960,000; total loan amount: $3.8 billion.

Grants–Number of projects: 327; number of accommodations: 59,847; HUD-supported loan amount: $572,914,000; annual grant amount: $17,012,531.

ARMED SERVICES HOUSING FOR CIVILIAN EMPLOYEES

Federal aid to relieve shortage of family housing for civilian and military personnel near research and development installations.

Nature of Program: HUD insures mortgages on housing for civilian employees at isolated installations. The mortgages must meet the requirements for the basic home mortgage program (Section 203(b)). Housing cannot be insured under this program unless there is sufficient civilian demand to offset any personnel reduction at the installation concerned. Only qualified prospective owner-occupants may qualify for this mortgage insurance.

Applicant Eligibility: Employees of or military personnel assigned to the National Aeronautics and Space Administration and the Atomic Energy Commission, or contractors thereof.

Legal Authority: Section 809, National Housing Act (1934), (P.L. 73-479), as added by Armed Forces Housing for Civilian Employees (P.L. 84-574).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Cumulative activity through September 1977: 16,757 homes insured for a total value of $276,328,100.

HOUSING IN MILITARY IMPACTED AREAS

54

Federal mortgage insurance for housing in areas affected by military installations.

Nature of Program: Mortgage insurance for both single and multifamily housing near military installations, can be provided under Sections 203, 207, 213, 220, 221, 227, 234, 235, and 236. Such mortgages will be the obligation of the Special Risk Insurance Fund. Projects are eligible notwithstanding that the property is neither economically sound nor an acceptable risk, providing the benefits outweigh the risk of cost to the Government.

Applicant Eligibility: Sponsor eligibility will be determined by the Section of the National Housing Act under which application is made. Tenant eligibility is open.

Legal Authority: Section 238(c) of the National Housing Act, (1934), (P.L. 73-479), as amended by Section 309 of the Housing and Community Development Act of 1977, (P.L. 95-128).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area and Insuring Offices.

Current Status: This is a new program which is expected to supplant Section 810 of the National Housing Act which was designed for military and civilian personnel but has become inactive.

Scope of Program: Indicators of program volume are not yet available.

.OMES FOR SERVICEMEN

Federal mortgage insurance to allow a serviceman on active duty to purchase a home partially subsidized by his service.

Nature of Program: HUD allows the Department of Defense, Transportation and Commerce to pay the HUD mortgage insurance premium on behalf of servicemen on active duty under their jurisdiction. The mortgages may finance single-family dwellings and condominiums insured under standard HUD home mortgage insurance programs.

Applicant Eligibility: Servicemen on active duty in the U.S. Armed Forces or the U.S. Coast Guard, or employees of the National Oceanic and Atmospheric Administration who have served on active duty for two years.

Legal Authority: Section 222, National Housing Act (1934), (P.L. 73-479), as added by Section 124, Housing Act of 1954 (P.L. 83-560).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Over a 23-year period, 265,533 units have been insured for a value of $4,109,844,961.

HOMES FOR SERVICEMEN

Federal mortgage insurance to allow a serviceman on active duty to purchase a home partially subsidized by his service.

Nature of Program: HUD allows the Department of Defense, Transportation and Commerce to pay the HUD mortgage insurance premium on behalf of servicemen on active duty under their jurisdiction. The mortgages may finance single-family dwellings and condominiums insured under standard HUD home mortgage insurance programs.

Applicant Eligibility: Servicemen on active duty in the U.S. Armed Forces or the U.S. Coast Guard; or employees of the National Oceanic and Atmospheric Administration who have served on active duty for two years.

Legal Authority: Section 222, National Housing Act (1934), (P.L. 73-479), as added by Section 124, Housing Act of 1954 (P.L. 83-560).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active.

Scope of Program: Over a 23-year period, 265,533 units have been insured for a value of $4,109,844,961.

56 Federal mortgage insurance to finance homeownership for victims of major disasters.

Nature of Program: HUD insures home mortgages to replace former dwellings damaged too extensively by a major disaster for reconstruction. The insured loan may cover 100 percent of the FHA-appraised value of the property up to $14,400, and may repaid over 30 years (or 35 years if necessary provided that the dwelling is constructed under FHA or VA inspection). Interest may not exceed the FHA interest rate ceiling. The lender collects a small FHA application fee from the borrower.

Applicant Eligibility: Owner-occupants or tenants of single-family dwellings who lost their previous homes by flood, fire, hurricane, earthquake, storm, riot or civil disorder, or other catastrophe determined by the President to be a major disaster.

Legal Authority: Section 203(h), National Housing Act (1934), (P.L. 73-479), as added by Section 110, Housing Act of 1954, (P.L. 83-560).

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices.

Current Status: Active but rarely used

Scope of Program: Statistics on this program are included in the basic home mortgage program, Section 203(b)

DISASTER TEMPORARY HOUSING

Temporary housing for families requiring shelter in a major disaster area.

Nature of Program: HUD is one of several Federal agencies that cooperate in a coordinated and unified effort under the broad direction of the Federal Disaster Assistance Administration (FDAA) to aid disaster victims. HUD supplies temporary housing authorized by FDAA following a Presidential declaration of a "major disaster" or "emergency." The housing may consist of existing vacant units; the Minimal Repair Program (MRP), mobile homes, and temporary mortgage or rental payments. Special field offices are established in the disaster area to administer the program.

Applicant Eligibility: Households in a Presidentially-declared disaster area which have (1) been displaced from their homes by such a disaster, or (2) face imminent dispossession or eviction from their homes due to financial hardship resulting from such a disaster.

Legal Authority: Section 404, Disaster Relief Act of 1974 (P.L. 93-288).

Administering Office: Assistant Secretary for Housing–Federal Housing Commissioner, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area Offices and Disaster Field Offices.

Current Status: Active.

Scope of Program: Cumulative activity through September 30, 1977 96,261 households assisted in 42 States, Guam, Puerto Rico and Virgin Islands; 8,663 families currently in temporary housing in 17 States and Guam, Puerto Rico and Virgin Islands.

THE OFFICE OF INDEPENDENT LIVING FOR THE DISABLED

58

To assure that physically and mentally disabled people have equal access to federally assisted housing.

Nature of Program: The Office of Independent Living for the Disabled was established to promote awareness of the housing needs of people with disabilities. It provides the focus for developing policies, programs, standards and regulations which affect all of HUD's housing and community development programs.

OILD initiates public information and training programs within HUD and among professional and nonprofit organizations, which create awareness and emphasize the right of access by disabled persons to HUD-assisted housing and the HUD programs that can help the disabled obtain housing.

OILD also provides liaison with other Federal and governmental agencies to ensure that all their applicable regulations and issuances concerning disabled people are included in HUD's operating regulations.

Executive Order 11914 directs inclusion of nondiscrimination language in HUD programs regulations. OILD is responsible for coordinating HUD efforts to prohibit discrimination on grounds of disability in all programs administered by the Department.

Applicant Eligibility: Any individual or organization seeking specific information about housing or programs for the disabled can apply to OILD for information. Any disabled person aggrieved by housing discrimination in programs administered by HUD may also turn to OILD for assistance.

Legal Authority: HUD Secretary's general authority permits the establishment of an office to promote independent living for persons with disabilities.

In addition, Section 504, Rehabilitation Act of 1973, (P.L. 93-112); Executive Order 11914, mandates compliance by HUD in areas within the purview of OILD.

Administering Office: Assistant Secretary for Housing—Federal Housing Commissioner, Office of Independent Living for the Disabled, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: Administering Office.

Current Status: Active.

Policy Development and Research

60 Community Economic Development 59
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COMMUNITY ECONOMIC DEVELOPMENT

60

A Federal inter-agency demonstration combining Federal resources with private sector involvement to generate employment and revitalize cities.

Nature of Program: Now under way in ten cities with significant economic and unemployment problems, the program will demonstrate innovative public/private solutions to these problems over a two-year period. HUD, the Department of Commerce and the Department of Labor are jointly conducting the demonstration. The participating cities have outlined a variety of improvements such as the creation of economic development commissions, loan and bond programs to raise capital, industrial development corporations, industrial parks, and neighborhood commercial revitalization ideas. Each city will document its experience and make the record available to other cities with similar problems. All cities selected have problems and proposed development plans common to many communities.

Applicant Eligibility: Participants have already been chosen. Further demonstrations are not planned at this time.

Legal Authority: Title V, Housing and Urban Development Act of 1970 (P.L. 91-609).

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office; or contact the National Council for Urban Economic Development, the U.S. Conference of Mayors, and the National League of Cities, 1620 "Eye" St., N.W., Washington, D.C. 20006.

Current Status: Active.

Scope of Program: The ten cities participating in the demonstration will receive Federal grants totaling $4.82 million over the next two years. Nine of the ten cities will receive annual grants of $250,000 for the two-year period; one city will receive $160,000 per year. These grants, together with community development funds from HUD, economic development funds from Commerce, and job training funds from Labor will add up to an estimated $1 billion over the next two years.

EXPERIMENTAL HOUSING ALLOWANCE PROGRAM

A test of the efficacy of direct cash assistance to low-income households for housing.

Nature of Program: The Housing Allowance Experiments are testing the feasibility of direct cash assistance to lower-income households to help them afford adequate housing from among existing units in the private market.

The program seeks information on three fundamental questions: how families use their allowances; how the housing market responds to allowances; and how allowance programs can best be administered. The findings will be analyzed for meaning and national applicability.

Applicant Eligibility: All households with incomes of up to $7,500 in cities participating in the experiments with the exception of non-elderly single persons and student heads of households. But additional enrollment is currently open only in two of the housing markets, metropolitan Green Bay, Wis., and South Bend, Ind.

Legal Authority: Sections 501 and 504, Housing and Urban Development Act of 1970 (P.L. 91-609).

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: A 10-year program initiated in 1972 involving up to 20,000 households in 12 metropolitan areas. Overall cost approximately $175 million.

LEAD-BASED PAINT POISONING PREVENTION RESEARCH

62

Nature of Program: In cooperation with other Federal agencies, HUD is determining the nature and extent of lead-based paint poisoning in children in the United States and developing more efficient ways to eliminate this hazard from the child's environment.

HUD invites proposals that meet research and demonstration requirements specified by the agency. In exceptional cases unsolicited proposals for innovative research are considered.

HUD also cooperates with the Department of Health, Education and Welfare, which pays local communities to screen children for lead poisoning. The HUD program office acts as a clearinghouse for information on the problems of lead-based paint hazards and their solution.

Applicant Eligibility: Experts with knowledge of the problems are periodically invited to respond to HUD requests for proposals. HUD also reviews unsolicited proposals from organizations or individuals pursuing research in the field.

Legal Authority: Lead-Based Paint Poisoning Prevention Act of 1971 (P.L. 91-695) amended in 1973 (P.L. 93-151) and 1976 (P.L. 94-317).

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program:
Active projects or contracts: 20
Completed projects or contracts: 12
Funding through fiscal year 1977: approximately $7.5 million

748 SCRA MTGS WITH HUD-SR CITIZEN DEDUCTIONS

MODULAR INTEGRATED UTILITY SYSTEMS (MIUS)

Demonstration projects supplying all utility services to residential communities from a single on-site plant, using natural resources more efficiently and reducing adverse environmental impact.

Nature of Program: The Modular Integrated Utility System (MIUS) furnishes essential utility services for residential communities by recycling energy and "packaging" into one processing plant six functions: electricity, space heating and air conditioning, solid and liquid waste processing, and potable water.

Conventional methods of generating electricity waste about 65 percent of the energy in excess heat. MIUS recovers better than half of this waste energy and uses it for space heating, air conditioning, water heating, water treatment, and liquid waste treatment. An additional 5-10 percent is saved by recycling solid waste for its energy content. MIUS also reduces thermal, air, solid waste and water pollution.

Collaborating with HUD in this program are the National Aeronautics and Space Administration, the Atomic Energy Commission, the National Bureau of Standards, the Environmental Protection Agency, the Departments of Defense and Health, Education, and Welfare, and the Energy Research and Development Administration.

Applicant Eligibility: Not applicable

Legal Authority: Section 501 and 502, Title V, Housing and Urban Development Act of 1970 (P.L. 91-609)

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active

Scope of Program: Eleven agency agreements or project contracts are in place or in process.

$9,462,000 in HUD funds have been authorized for 8 years (through 1980). This does not include other agency funding.

NATIONAL INSTITUTE OF BUILDING SCIENCES (NIBS)

64

A new, nongovernmental entity to provide leadership and technical expertise for the voluntary improvement of the Nation's building codes and standards.

Nature of Program: The main purpose of this nonprofit organization is to encourage new, cost-saving technology by promoting widely acceptable building standards and building product performance criteria.

Establishment of NIBS follows growing recognition that high building costs are caused partly by proliferating local building codes and wide variance in building product performance criteria.

NIBS will coordinate public and private groups active in building product testing, standard-setting and code enforcement. The Institute will disseminate data on building technology, encourage developers of new products and techniques to submit them for testing before marketing, and will promote better testing methods.

The Institute is currently governed by a Board of Directors appointed by the President and confirmed by the Senate. Federal agencies are authorized to contract with it for specific projects.

Applicant Eligibility: Not applicable.

Legal Authority: Section 809, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Office of Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: Otis M. Mader, Vice President, Aluminum Company of America, 2928 Alcoa Building, Pittsburgh, PA 15219, (412) 553-3875.

Mr. Mader is Chairman of the 18-member Board of Directors, sworn in by former Secretary Hills on July 9, 1976.

Current Status: Just activated; formulating a program and hiring staff.

Scope of Program: Congress has appropriated $1 million for FY 1978. The law directs NIBS to become self-sustaining through fees for its services at the earliest feasible time.

SOLAR HEATING AND COOLING DEMONSTRATION PROGRAM

To encourage the use of solar technology in the general housing market.

Nature of Program: As part of the National Solar Energy Program administered by the Energy Research and Development Administration (ERDA), HUD is responsible for a demonstration of the practical application of solar energy in residential heating and cooling. HUD implements its program by: (1) residential demonstrations in which solar equipment is installed in both new and existing dwellings, (2) development of performance criteria and certification procedures for solar heating and cooling equipment; (3) market development to encourage acceptance of solar technologies by the housing industry; and (4) data gathering and dissemination on demonstration and market development efforts.

Applicant Eligibility: HUD periodically invites participation by builder/developers, State and local agencies and other qualified producers of housing for sale on the open market. Grants are currently not made to private individuals or to builders whose projects have been pre-sold.

Legal Authority: Solar Heating and Cooling Act of 1974 (P.L. 93-409).

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office or write: Solar Heating, P.O. Box 1607, Rockville, Md 20850.

Current Status: Active.

Scope of Program: Number of demonstrations (first to fourth cycles) approximately 375 grants, involving approximately 4,000 dwelling units. Total five-year program through fiscal year 1979: $49,000,000 (est.).

TENANT MANAGEMENT PROGRAM

66

A demonstration of a new approach to upgrading day-to-day operation of low-rent public housing.

Nature of Program: This three-year demonstration program is testing the effectiveness of tenant management as a means of improving the operating performance of public housing, creating new employment opportunities for tenants, reducing social deviance, increasing resident satisfaction, and generally enhancing the community aspects of public housing.

The program is modernizing buildings and grounds and providing salaries for tenant employees, social services, and training and technical assistance to upgrade tenant management skills and public housing authority management capabilities. Eventually, it aims to transfer to tenants primary responsibility in four critical areas of housing management: budget preparation and control, policy development, management operations and tenant relations.

Six public housing authorities are participants in the demonstration which has been designed and will be conducted, monitored, and evaluated by the nonprofit Manpower Demonstration Research Corporation. HUD and the Ford Foundation together are funding the demonstration.

Applicant Eligibility: Participants have already been chosen. No further demonstrations are planned.

Legal Authority: Sections 501 and 502, Title V, Housing and Urban Development Act of 1970 (P.L. 91-609); U.S. Housing Act of 1937 (P.L. 75-412), as amended by Section 6 of Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: Manpower Demonstration Research Corp., 3 Park Avenue, New York, N.Y. 10016, or see administering office.

Current Status: Active.

Scope of Program: The seven housing developments participating in the demonstration contain 4,780 dwelling units with about 19,000 low-income residents. HUD has allocated a total of $20.2 million: $15 million in Modernization funds, and $5.2 million for on-site administrative expenses. A Ford Foundation grant supplements $600,000 in HUD funds used to manage the demonstration. The project spans three years, ending December 31, 1978.

URBAN HOMESTEADING

38

A national demonstration program transferring HUD properties to local governments to revitalize declining neighborhoods and reduce the Federal inventory of defaulted mortgages.

Nature of Program: Vacant HUD-held properties are transferred to local governments which developed homesteading plans approved by HUD. Each city had to devise a plan ensuring the availability of rehabilitation financing, technical assistance to homesteaders, and all essential municipal services to the target neighborhoods.

The local governments selected for the program then "sell" these properties for a token sum (as low as $1.) to individuals or families called "homesteaders." The homesteader must make repairs to meet minimum health and safety standards, then occupy the property as a principal residence for at least three years. Within 18 months of occupying the property, he must bring it up to local code standards. When all these requirements have been met, the homesteader receives full title to the property.

Applicant Eligibility: Homesteaders must be equitably selected by each participating city. Cities are chosen as demonstration sites by HUD after submitting acceptable homesteading plans.

Legal Authority: Section 810, Housing and Community Development Act of 1974 (P.L. 93-383); Section 20, Housing Authorization Act of 1976 (P.L. 94-375).

Administering Office: Assistant Secretary for Policy Development and Research, Urban Homesteading Demonstration Program, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Being converted to operating program. (See Office of Community Planning and Development.)

Scope of Program: *Number of projects:* approximately 40 demonstrations cities to date. *Funding:* $5 million was appropriated for FY 1976; HUD also allocated $5 million in rehabilitation loan funds to support the program in FY 1976. The Housing Authorization Act of 1976 authorized an additional $6.25 million for the transition quarter and FY 1977 to support the transfer of HUD-acquired properties to communities participating in the Urban Homesteading Demonstration Program as well as to some new participants. For FY 1978, $15 million has been appropriated. The 23 cities originally participating in the program will receive an additional $3.75 million worth of HUD-owned properties and an additional $7.5 million in rehabilitation loan funds, while new program participants will receive $2.5 million worth of HUD-owned properties and $3.5 million in rehabilitation loans, in their first year, with additional amounts expected later.

URBAN REINVESTMENT TASK FORCE

70

A public-private coalition to stimulate and aid investment in inner city revitalization.

Nature of Program: The Urban Reinvestment Task Force is a joint effort of HUD and the Federal Home Loan Bank Board, initiated in 1974, to demonstrate how a declining but still viable neighborhood can be revitalized through a partnership of residents, financial institutions and local government. With the aid of HUD research and demonstration funds, the Task Force supports two different programs: Neighborhood Housing Services (NHS) and Neighborhood Preservation Projects (NPP).

The major role of the Task Force in NHS is that of catalyst, bringing together members of local partnerships. A high-risk revolving loan fund helps homeowners to make repairs. For Neighborhood Preservation Projects, the Task Force supplements funding support for promising local preservation programs to determine their potential for application elsewhere.

Applicant Eligibility: Community groups, financial institutions, city governments, foundations, or a combination of these.

Legal Authority: Title V, Housing and Urban Development Act of 1970 (P.L. 91-609).

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: Urban Reinvestment Task Force, 1120 19th St., N.W., Washington, D.C. 20036, (202) 634-1689.

Current Status: Active.

Scope of Program: Over the life of the program, from May 1974 through August 1979, HUD is authorized to spend $14,625,000 and expects to fund a total of 76 projects.

Nature of Programs: HUD has six major areas of research that will require analysis by urban scholars. These outline descriptions pinpoint areas in which HUD invites participation:

• cost of housing: we are interested in looking at ways to reduce the component costs of housing (costs of developing, building, financing and operating) as well as more efficient ways of helping lower-income people afford housing through subsidy programs. We want to examine the impact on housing costs of components such as building codes, environmental reviews, settlement costs, energy conservation, secondary finance markets, large-scale land acquisition and development. Costs and effectiveness of alternative subsidy programs are also important. This research will specifically influence the direction that HUD policy will take in the next years.

• alternative housing finance mechanisms: we will be analyzing the economic impact of potential legislation on alternative mortgage instruments, financial institution regulation and reform, and conventional GNMA mortgage-backed securities. Our research will provide HUD with the capacity to develop initiatives as well as to respond to the many policy concerns in the housing finance system. We plan to convene panels of academic experts to help place policy questions posed by HUD into the context of a larger view of the housing finance system. These panels will help determine where research can be particularly fruitful.

urban economic development and public finance: we will be looking at questions relating to the fiscal viability of central cities and how cities are affected by Federal policies. We will seek to discover workable mechanisms for leveraging private-sector investments and what their advantages are. We plan to examine the role of small business in community development, changes in capital investment by cities, questions of development finance, efforts to coordinate available Federal and local resources, and the impact of Federal tax and grant policies on central cities.

• special users: elderly and handicapped. we will be addressing how best to provide housing and housing-related services to people who have special requirements caused by age or physical condition. What are the optimal strategies for assisting these people? What service package is essential to the success of special programs designed to reach them? Specifically, we want to examine HUD's role in helping elderly people keep their own homes and in helping handicapped people have access to buildings. We will look at the housing-related services that elderly people consume and the housing maintenance decisions that they must make. We will inventory the current housing situation to determine the extent to which people with disabilities have access to federally subsidized housing. We will also examine the need for and costs of retrofitting public buildings so that handicapped people will be assured of access.

• neighborhood reinvestment and revitalization: we will be looking at the process of neighborhood change and at intervention techniques designed to preserve neighborhoods by preventing and reversing decline. We will, for example, study the roles of the private sector and local residents in promoting revitalized neighborhoods, issues of acquisition and disposition of abandoned property, ways to stimulate reinvestment and mortgage lending in deteriorating neighborhoods.

• site selection/integration: we will be addressing issues of economic and racial freedom of choice in housing and learning how changes in demographics may affect trends in location patterns. We will try to determine what interventions are feasible, under what conditions residential dispersion and mobility occur, how to stimulate more imaginative designs to achieve lower-density housing and to integrate housing into the neighborhood environment. Specifically, we will conduct an evaluation of site and neighborhood standards for HUD-assisted programs. We hope to determine how alternative guidelines will affect racial balance in the public schools, neighborhood transition, and the availability of social services. Of equal importance, we will examine how alternate site selection policies would affect the composition of the population served by HUD's housing programs.

Applicant Eligibility: Not applicable.

Legal Authority: Section 501 and 502, Title V, Housing and Urban Development Act of 1970 (P.L. 91-609).

Administering Office: Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Projects being readied for solicitations of interest.

Scope of Program: Funding levels to be determined.

New Communities

NEW COMMUNITIES

76

To encourage development of well-planned, diversified and economically sound new communities.

Nature of Program: HUD may provide a variety of financial and technical assistance to the developers of new communities undertaken in central cities, metropolitan suburbs and rural areas. Development must be in accord with comprehensive areawide planning, enhance the environment, contribute to the welfare of the area, provide for low- and moderate-income housing, and encourage social innovation and improved technology.

The major financial assistance program permits HUD to guarantee bonds, debentures, notes or other obligations issued by public and private developers to finance land acquisition and development of new communities. In the case of public land development agencies, guarantees for the principal obligation cannot exceed 100 percent of HUD's estimate of the value of real property before development and the cost of land development. For private developers, guarantees may not exceed 80 percent of the estimated value of real property before development plus 90 percent of the estimated cost of land development. However, the amount of guarantee cannot exceed $50 million for any single project.

HUD also issues Certificates of Eligibility to developers of new communities who do not require loan guarantee assistance but have new community development programs that meet the standards of the Urban Growth and New Community Development Act of 1970 (Title VII).

Federally approved new communities are eligible to receive Community Development Block Grant funds from the Secretary's discretionary fund.

Applicant Eligibility: Private new community developers and public land development agencies, including State, local or regional public bodies, authorized under State or local law to develop new communities.

Legal Authority: Title VII, Housing and Urban Development Act of 1970 (P.L. 91-609); and Title IV, Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Community Development Corporation, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Of the 13 new community projects that received guarantee assistance, four are being phased out and nine are in various stages of development. Two other projects under development have received Certificates of Eligibility. Applications for assistance have been suspended since January 1975. All available resources are being applied to ongoing developments.

Scope of Program: HUD loan guarantees of new community obligations outstanding as of September 30, 1977 total $249 million.

Fair Housing and Equal Opportunity

80 Employment and Business Opportunity
81 Equal Employment Opportunity
83 Equal Opportunity in HUD-Assisted Programs
84 Equal Employment Opportunity in HUD-Funded Agencies
85 Fair Housing
87 Voluntary Compliance

EMPLOYMENT AND BUSINESS OPPORTUNITY

80 A program to ensure the employment of low-income residents and participation of small business concerns in HUD-assisted projects.

Nature of Program: Applicants, recipients, contractors and subcontractors in a HUD-funded program must provide opportunities for training and employment to low-income residents of areas where HUD-assisted projects are located. They must also award contracts for work on any such project to business concerns located in or substantially owned by residents of that area. A clause certifying compliance must be included in all work contracts.

Applicant Eligibility: Low-income residents and small business concerns in HUD-assisted project areas. Grievances alleging noncompliance may be filed at HUD Area and Insuring Offices.

Legal Authority: Section 3, Housing and Urban Development Act of 1968 (P.L. 90-448); Section 118, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area and Insuring Offices.

Current Status: Active.

Scope of Program: In fiscal year 1977, 1,963 compliance reviews were conducted under regulations of Executive Order 11246 and Section 3, HUD Act of 1968. Complaints handled totaled 136, of which 54 were resolved.

EQUAL EMPLOYMENT OPPORTUNITY

A program to ensure that Federal and federally-assisted contractors do not discriminate in employment.

Nature of Program: Executive Order 11246 directs all Federal agencies to promote and ensure equal opportunity without regard to race, color, religion, sex or national origin, for everyone employed or seeking employment with Federal contractors or recipients of Federal assistance.

HUD is responsible to ensure that the Order is enforced as it affects HUD contracts and housing programs and the nonexempt construction contracts of HEW, VA and Commerce.

Affirmative action is required to ensure equal opportunity for minorities and women in employment. HUD's direct and federally-assisted construction contractors and subcontractors must comply with the Equal Opportunity Clause and applicable Federal Bid Conditions, as well as to the HEW, VA, and Commerce-assisted or direct construction contracts. Any person or group of persons suspecting employment discrimination by a covered construction contractor may file a complaint.

Applicant Eligibility: This program applies to employment under HUD's contracts for supplies and services, and all direct HUD contracts including research and development. It also applies to HUD's direct or federally-assisted construction contracts. Since HUD also administers the EO 11246 Construction Compliance Program for HEW, VA, and Commerce, the program also covers HEW, VA, and Commerce direct or federally-assisted construction contracts. Any person or class of persons suspecting employment discrimination by a covered construction contractor because of race, color, religion, sex or national origin may file a complaint.

Legal Authority: Executive Order 11246, of September 24, 1965, as amended by Executive Order 11375, of October 13, 1967.

Administering Office: Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Regional and Area Offices.

Current Status: Active.

Scope of Program: In fiscal year 1977, 1,963 compliance reviews were conducted under regulations of Executive Order 11246 and Section 3, HUD Act of 1968. Complaints handled totaled 136, of which 54 were resolved.

EQUAL OPPORTUNITY IN HUD-ASSISTED PROGRAMS

A program to assure equal opportunity to participate in and benefit from HUD-funded activities without regard to race, color, or national origin.

Nature of Program: HUD ascertains the extent to which its programs comply with the Federal law forbidding discrimination in all federally-funded activities.

The Office of Fair Housing and Equal Opportunity investigates complaints and reviews HUD programs to eliminate discrimination. Changes or new policies are developed to make HUD activities responsive to the problems of minorities and to promote their participation in HUD-assisted activities.

Under the Community Development Block Grant Program, discrimination on the basis of sex is also forbidden.

Technical assistance is available to State and local agencies with civil rights problems in HUD-assisted programs. Noncomplying HUD applicants or recipients are given the opportunity of a hearing; if that results in a finding of discrimination, Federal assistance for the program may be terminated.

Applicant Eligibility: Any HUD-funded activity, except contracts of insurance or guaranty, is subject to Title VI.

Any person or group suspecting discrimination in a HUD-assisted program because of race, color or national origin, may file a complaint.

Legal Authority: Title VI, Civil Rights Act of 1964 (P.L. 88-352), Section 109, Housing and Community Development Act of 1974 (P.L. 93-383).

Administering Office: Assistant Secretary for Fair Housing and Equal Opportunity, Development of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Regional and Area Offices.

Current Status: Active.

Scope of Program: In fiscal year 1977, 41 complaints were received and 32 closed; 235 compliance reviews were started and 190 closed. An additional 46 complaints were received and 54 compliance reviews begun under the Community Development Block Grant Program's Section 109.

EQUAL EMPLOYMENT OPPORTUNITY IN HUD-FUNDED AGENCIES

84

A program to assure that local government agencies funded by HUD will not discriminate in employment.

Nature of Program: HUD must assure that all agencies receiving HUD financial assistance comply with the terms and conditions of the equal employment opportunity clause of HUD's loan and grant contracts. This clause requires that HUD-funded agencies, in carrying out their programs, not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. It also requires them to take affirmative action to assure applicants their rights.

HUD periodically reviews its programs to determine compliance and conducts complaint investigations. Where there is an apparent failure to carry out the conditions of the contract clause, HUD attempts to secure voluntary compliance. If that fails, a hearing is held, which may lead to the agency being barred from further contracts with HUD.

Applicant Eligibility: All applicants or recipients who enter into contracts with HUD are subject to the inclusion of an equal employment opportunity clause and are required to carry out the terms and conditions of that clause.

Any person or class of persons suspecting employment discrimination by a HUD-funded agency because of race, color, national origin, sex or religion may file a complaint.

Legal Authority: Section 7(d), Department of Housing and Urban Development Act of 1965 (P.L. 89 174).

Administering Office: Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Regional and Area Offices.

Status: Active.

Scope of Program: Approximately 12 complaints and 3 compliance reviews were closed during fiscal year 1977.

FAIR HOUSING

A program to assure fair housing throughout the United States.

Nature of Program: HUD administers the law that prohibits discrimination in housing on the basis of race, color, religion, sex and national origin, investigating complaints of housing discrimination and attempting to resolve them through conciliation. HUD refers complaints to State and local fair housing agencies when they afford protection substantially equivalent to Federal law.

Technical assistance is available to State and local groups, private or public, profit and nonprofit, to help them prevent or eliminate discriminatory housing practices. Educational conferences with the housing industry, governmental and private groups interpret and explain the laws.

Executive Order 11063 prohibits discrimination because of race, color, creed, or national origin, in housing and related facilities which are owned or operated by the Federal Government or housing and related facilities provided by Federal financial assistance, including mortgage insurance and guaranty programs, or in the lending practices of lending institutions which make loans on property insured or guaranteed by the Federal Government. The Department receives complaints and conducts compliance reviews under Executive Order 11063.

Applicant Eligibility: Any individual aggrieved by housing discrimination may file a complaint with any HUD office in person, by mail, or by telephone. Pursuant to Title VIII an aggrieved party may also file suit in a Federal or local Court, seeking injunctive relief, actual damages and up to $1,000 in punitive damages

Legal Authority: Title VIII, Civil Rights Act of 1968 (P.L. 90-284), as amended; Executive Order 11063.

Administrative Office: Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office

Current Status: Active.

Scope of Program: Some 3,213 Title VIII complaints were received in fiscal year 1977 which, when added to 1,019 complaints on hand, totaled 4,232 complaints. A total of 2,774 complaints were processed. Conciliation was undertaken in 484 complaints, of which 256 were successful.

VOLUNTARY COMPLIANCE

Voluntary compliance with fair housing and with the employment of minority business enterprises in HUD-related activities.

Nature of Program: HUD promotes voluntary compliance in the private sector and with other Federal agencies in two areas: fair housing nationwide and the employment of minority business enterprise in HUD-related activities. HUD executes formal agreements both locally and nationwide.

Applicant Eligibility: Trade and professional organizations in housing and related fields, including homebuilders, realtors, and lending institutions; and other Federal agencies.

Legal Authority: Title VIII, Sections 809 and 808(e)(d), Civil Rights Act of 1968 (P.L. 90-284); Executive Order 11625.

Administering Office: Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: Plans and agreements negotiated and approved in fiscal year 1977: 237; approximately the same number is anticipated for fiscal 1978.

HUD program funds on deposit in minority-owned banks in fiscal 1977: $38.6 million; the same is anticipated for fiscal 1978.

HUD program funds awarded or granted to minority entrepreneurs in fiscal 1977: $150 million; approximately $165 million anticipated for fiscal 1978.

Business opportunities for minority entrepreneurs under the Community Development Block Grant program for fiscal 1977: $45 million; a 15 percent increase is anticipated for fiscal 1978.

Neighborhoods, Voluntary Associations and Consumer Protection

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96 Lead-Based Paint Poisoning

NEIGHBORHOOD AND CONSUMER AFFAIRS

90

The office of Neighborhood and Consumer Affairs is responsible for ensuring participation by neighborhood, voluntary, and other nongovernmental organizations in development, revitalization, and stabilization of urban and regional areas. It is also responsible for ensuring that consumers' basic rights are considered in all housing and community development activities and for encouraging and facilitating consumer access to the Department's decisionmaking process.

Nature of Program: This office was created in 1977 to pursue five primary objectives. It assists neighborhood development organizations to improve their management capabilities; helps formulate local cooperative efforts; and encourages voluntary and other nongovernmental organizations to work with HUD on areas of mutual interest and concern. It reviews present and proposed departmental policies, elicits consumer comment, and makes recommendations based on analyses of those contributions. The office also maintains contact with a network of consumer groups developed in conjunction with HUD field offices, and monitors the departmental consumer complaint response system.

Applicant Eligibility: Not applicable.

Legal Authority: Sections 2 and 4(a), among other authorities, of the Housing and Community Development Act (P.L. 89-174).

Administering Office: Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Protection, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: Nationwide.

COUNSELING FOR TENANTS AND HOMEOWNERS

Free counseling for owners and tenants of HUD-insured housing.

Nature of Program: HUD-approved agencies counsel prospective home buyers and homeowners with respect to property maintenance, household budget and debt management, and such other matters as may assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership. The counseling assistance is provided by qualified agencies voluntarily and generally without remuneration from HUD.

HUD is ***authorized*** to counsel buyers, owners and tenants of all HUD-assisted housing, but the agency is ***required*** to counsel homeowners assisted under the Section 235 homeownership program, and owners of single-family homes with HUD-insured mortgages under Title II of the National Housing Act (the latter requirement added in the 1977 Housing and Community Development Act). HUD may provide these services directly or may pay private or public organizations with special competence and knowledge in counseling low- and moderate-income families. HUD also compiles a counseling information package to be distributed by lenders to prospective buyers under this program.

Applicant Eligibility: Prospective home buyers, homeowners and tenants under HUD-assisted housing programs are eligible for counseling; public and private (but generally nonprofit) agencies may apply for HUD approval.

Legal Authority: National Housing Act, (1934) (P.L. 73-479), as amended by Sections 101(a) and 102(a), Housing and Urban Development Act of 1968 (P.L. 90-448); Section 811(a) Title I Housing and Community Development Act of 1974 (P.L. 93-383); Housing and Community Development Act of 1977 (P.L. 95-128).

Administering Office: Asst. Secretary for Neighborhoods, Voluntary Associations and Consumer Affairs, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area and Insuring Offices.

Current Status: Active.

Scope of Program: Approximately 450 HUD-approved agencies have provided counseling services to owners and tenants of HUD-assisted housing; 26 agencies are directly funded by HUD. Three million dollars have been appropriated for this purpose in fiscal year 1977.

COMMUNITY SERVICES FOR TENANTS

92

Increased resources to improve the quality of life for tenants.

Nature of Program: HUD furnishes technical assistance to local management of public housing and HUD-assisted housing. Federal and community agencies provide social services, employment opportunities and recreational programs for tenants through agreements negotiated nationally and collaboration developed at regional, State and local levels.

Applicant Eligibility: Tenants in public housing and other HUD-assisted multifamily rental housing.

Legal Authority: Section 3, (4), U.S. Housing Act of 1937 (P.L. 75-412).

Administering Office: Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Protection, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: HUD Area and Insuring Offices.

Current Status: Active.

Scope of Program: In addition to HUD's Technical Assistance, the Departments of Justice, Labor, and Health, Education and Welfare have contributed over $150 million in the five fiscal years ending June 30, 1976. These combined efforts have served some 3,000 public housing authorities, managing 1,400,000 units housing more than 3 million tenants.

INTERSTATE LAND SALES REGISTRATION

Protects consumers against fraudulent practices of land developers and promoters.

Nature of Program: HUD is responsible for enforcing the laws governing interstate land sales registration. Developers and their agents are prohibited from selling or leasing, by mail or by other means in interstate commerce, any lot in any subdivision of 50 or more lots unless two conditions have been met.

(1) A statement of record must be filed with HUD, listing information about the ownership of the land, the state of its title, its physical nature, the availability of roads and utilities, and other matters.

(2) A printed property report, containing pertinent extracts from the statement of record, must be furnished to the purchaser at least 72 hours before signing an agreement for purchase or lease.

Willful violation is subject to criminal penalties of imprisonment for not more than five years, or a fine of not more than $5,000, or both. A suit for damages may be brought in any State or Federal Court for the district in which the defendant may be found or in which the transaction took place. HUD may seek an injunction against any developer that it can show is violating or about to violate the law.

Applicant Eligibility: Not applicable.

Legal Authority: Title XIV, Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Affairs, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: Number of filings: 12,905 as of November, 1977. Number of subdivisions: approximately 8,747 as of November, 1977.

Federal standards to protect the safety and health of mobile homeowners.

Nature of Program: In consultation with the Consumer Product Safety Commission, HUD issues Federal mobile home construction and safety standards to improve the quality and durability of mobile homes. The standards take into consideration existing State and local laws but preempt those which are not identical to the Federal standards. They apply to all mobile homes manufactured after June 15, 1976. Standards may be enforced by HUD through the Attorney General or the State. HUD may inspect factories and obtain records needed to enforce such standards. If a mobile home does not conform to Federal standards, the manufacturer must repurchase the home or bring it up to standards. Modular homes manufactured in a factory, transported to a building site, and placed on a permanent site-built foundation may, through a certification process, be exempted from Federal mobile home construction and safety standards if the homes meet other specified equivalent codes.

The law prohibits use of the mails and interstate commerce to sell or lease mobile homes that do not meet safety standards. Civil and criminal penalties also are provided where violation of such prohibitions occur.

Manufacturers must notify consumers, dealers and HUD of hazardous defects. The manufacturer must correct the defect if it presents an unreasonable risk of injury or death.

Applicant Eligibility: Not applicable.

Legal Authority: Title VI, Housing and Community Development Act of 1974 (P.L. 93-383). Housing and Community Development Act of 1977 (P.L. 95-128).

Administering Office: Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Affairs, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: The standards apply to mobile homes eight or more feet wide and 32 or more feet long built on a permanent chassis manufactured after June 15, 1976.

REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)

Protects home buyers by requiring advance estimates of settlement costs, limiting mandatory escrow payments for insurance and taxes, and prohibiting referral fees and kickbacks.

Nature of Program: All borrowers in real estate settlements involving federally related mortgage loans must receive a good faith estimate of settlement costs from the lender when they file their loan application. They must also be given a HUD-prepared booklet containing information about real estate and loan transactions, various services, cost comparisons and information about RESPA at least one business day prior to the settlement date. A settlement statement, following the form prescribed by HUD, must be used at settlement to show the actual costs.

RESPA prohibits referral fees and kickbacks and forbids sellers to require title insurance from a particular title company. Lenders cannot require borrowers to deposit more than 12 months' taxes and insurance payments in an escrow account. The law also requires HUD to undertake studies and demonstrations relating to settlement costs and land recordation systems.

Applicant Eligibility: All lenders of federally-related home mortgages.

Legal Authority: Real Estate Settlement Procedures Act of 1974, as amended in 1975 (P.L. 93-533 and 94-205).

Administering Office: Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Affairs, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: Limited only by the number of federally-related mortgage loans. A federally-related mortgage loan is one made by any lender insured or regulated by any Federal agency, or loan guaranteed or insured by a Federal agency.

LEAD-BASED PAINT POISONING PREVENTION

96

To eliminate lead-based paint hazards in federally-owned or assisted residential construction or rehabilitation.

Nature of Program: Prohibits the use of any paint containing more than five-tenths of 1 per centum lead by weight (calculated as lead metal) in the total nonvolatile content of the paint or the equivalent measure of lead in the dried film of paint already applied or both; or with respect to paint manufactured after June 22, 1977 prohibits the use of any paint containing more than six one-hundreths of 1 per centum lead by weight (calculated as lead metal) in the total nonvolatile content of the paint or the equivalent measure of lead in the dried film of paint already applied. For HUD-assisted housing constructed prior to 1950, eliminate as far as practicable the immediate hazard of lead-based paint to which children may be exposed, and warn purchasers and tenants of such housing of the hazards of lead-based paint.

Legal Authority: Title III of the Lead-Based Paint Poisoning Prevention Act of 1971 (P.L. 91-695), as amended in 1973 (P.L. 93-151) and 1976 (P.L. 94-317).

Administering Office: Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Protection, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: Nationwide.

Federal Insurance Administration

98 Federal Crime Insurance
99 National Flood Insurance
100 Federal Riot Reinsurance

FEDERAL CRIME INSURANCE

98

Burglary and robbery insurance at affordable rates in States where the cost or availability of crime insurance is a critical problem.

Nature of Program: Federal Crime Insurance enables individuals and businesses to purchase affordable insurance against burglary and robbery losses. Policies are not cancelled because of losses, and rates are uniform within entire metropolitan areas. A minimum of protective devices is, however, required. The program is available in 21 States and the District of Columbia, where the cost or availability of crime insurance is a critical problem.

Residential burglary and robbery insurance is available in amounts up to $10,000, and businesses can purchase as much as $15,000 of burglary and/or robbery coverage.

Applicant Eligibility: A property owner, tenant, or businessman within an eligible State or the District of Columbia may apply for crime insurance. To be eligible for burglary insurance coverage, the premises must meet the protective device requirements. Protective devices are not required for commercial robbery insurance.

Legal Authority: Urban Property Protection and Reinsurance Act of 1968 (P.L. 90-448), as amended by Housing and Urban Development Act of 1970 (P.L. 91-609).

Administering Office: Federal Insurance Administration, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: Call toll-free 800-638-8780, or write to administering office.

Current Status: Active.

Scope of Program: Policies in force: 37,331 as of July 31, 1977. Amount of insurance: $245,700,000 as of July 31, 1977.

NATIONAL FLOOD INSURANCE

Federal insurance for flood-prone areas coupled with local flood plain management to reduce flood losses.

Nature of Program: HUD makes flood insurance available to property owners in flood-prone areas. The communities in which these flood-prone areas are located are required to administer flood plain management programs to minimize future flood damage. The insurance is contingent on the community's formal resolution of participation in the program.

Also contingent on a community's participation in the flood insurance program, is assistance under the Federal Disaster Relief Act following a flood. And federally-related lenders must inform borrowers on properties located in a flood-hazard area that flood disaster assistance will not be available in the event of a flood disaster.

Applicant Eligibility: Communities, i.e., States or their political subdivisions or areas, Indian tribes or tribal organizations, Alaska Native villages or authorized native organizations which have the authority to adopt and enforce flood plain management regulations for the areas within their jurisdiction.

Property owners in participating communities may apply for flood insurance through a licensed agent or broker.

Legal Authority: National Flood Insurance Act of 1968 (P.L. 90-448), as amended by Housing and Urban Development Act of 1968 (P.L. 91-152) and Housing and Community Development Act of 1974 (P.L. 93-383); Flood Disaster Protection Act of 1973 (P.L. 93-234), as amended by Housing Authorization Act of 1976 (P.L. 94-375).

Administering Office: Federal Insurance Administration, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: FIA Regional Offices, or call toll-free 800-424-8872.

Current Status: Active.

Scope of Program: Policies in force: 766,130 as of April 30, 1976. Amount of insurance: $21,528,000,000 as of April 30, 1976. Number of participating communities: 14,500 as of June 30, 1976.

FEDERAL RIOT REINSURANCE

100 Reinsurance for private property insurance companies against damage from riot and civil disorder.

Nature of Program: HUD reinsures insurance companies for excess losses in standard lines of property insurance coverage resulting from riots or civil disorders. Reinsured losses are shared among the insurance companies, the States, and the Federal Government. The sale of reinsurance is limited to companies that cooperate with State insurance authorities in FAIR plans. These are Statewide plans to assure property owners Fair Access to Insurance Requirements.

Minimum criteria for FAIR plans are specified by law, but State insurance authorities are expected to adopt whatever additional provisions are needed to make property insurance readily available to urban areas. FAIR plans are administered under supervision of the State insurance authority subject to Federal minimum regulatory standards. Where necessary, HUD may require additional programs as a condition of continued reinsurance in the State.

Applicant Eligibility: Property insurance companies that participate in a State FAIR plan.

Legal Authority: Title XI, Urban Property Protection and Reinsurance Act of 1968 (P.L. 90-448), as amended by Housing and Urban Development Act of 1970 (P.L. 91-609).

Administering Office: Federal Insurance Administration, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: See administering office.

Current Status: Active.

Scope of Program: As of April 30, 1977, 157 riot reinsurance contracts providing coverage to 412 property insurance companies. Reinsurance premiums totaled $1,150,000; total amount of reinsurance: $500 billion.

Federal Disaster Assistance Administration

102 Disaster Assistance 101
103 Disaster Preparedness

DISASTER ASSISTANCE

102

Supplemental Federal assistance to State and local governments and individuals affected by natural disasters.

Nature of Program: Following a Presidential declaration of a "major disaster," the Federal Disaster Assistance Administration (FDAA) may provide eligible individuals and families with temporary housing, special unemployment assistance, low-interest loans to repair or replace real or personal property, food coupons, legal services, crisis counseling, and individual and family grants to meet other disaster-related necessary expenses. Grants may be made to States, local governments, and private nonprofit institutions for debris removal and restoration of damaged facilities.

"Emergency" assistance is also available to save lives, protect property, public health and safety, or to avert or lessen the threat of a disaster. States may receive grants to suppress forest or grassland fires that threaten major disaster.

Applicant Eligibility: State and local governments, certain private nonprofit facilities, and individual disaster victims in areas declared eligible for "emergency" or "major disaster" assistance by the President upon the request of the Governor of the State.

Legal Authority: Disaster Relief Act of 1970 (P.L. 91-606), as amended by Disaster Relief Act of 1974 (P.L. 93-288); Executive Order 11795, as amended by Executive Order 11910.

Administering Office: Federal Disaster Assistance Administration, Department of Housing and Urban Development, Washington, D.C. 20410..

Information Source: Regional offices of the Federal Disaster Assistance Administration.

Current Status: Active.

Scope of Program:

In FY 1977:

Major disaster declarations	18
Emergency declarations	36
Fire Suppression grants	6
Funds Obligated (from President's Disaster Relief Fund)	$360,364,290

Federal aid encouraging States and local governments to prepare for or prevent natural disasters.

Nature of Program: The Federal Disaster Assistance Administration (FDAA) encourages State and local governments to develop comprehensive plans and practicable programs in preparation for disasters, and guides them in coping with pending or actual disasters.

A grant of not more than $250,000 may be made to any State to develop these plans and programs. In addition, FDAA may grant up to $25,000 per year in matching funds for improving, maintaining, and updating State disaster plans.

Technical assistance is also available to supplement the States' own resources in planning to meet disasters.

Applicant Eligibility: Eligible applicants are the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, the Trust Territory of the Pacific Islands, and (improvement grant only) the government of the Northern Marianas. (States must have applied by May 22, 1975, for the development grant.) The application must include a plan detailing the activities to be undertaken.

Legal Authority: Section 201, Disaster Relief Act of 1974 (P.L. 93-288), and Executive Order 11795, pursuant thereto.

Administering Office: Federal Disaster Assistance Administration, Department of Housing and Urban Development, Washington, D.C. 20410..

Information Source: Regional Office of the Federal Disaster Assistance Administration.

Current Status: Active.

Scope of Program: Number of grants awarded: 56 development, 5 improvement (as of September 30, 1977). Funding: $13,828,189 obligated.

Government National Mortgage Association

106 GNMA Mortgage-Backed Securities 105
107 GNMA Special Assistance Mortgage-Purchases ("Tandem")

GNMA GUARANTEED MORTGAGE-BACKED SECURITIES

106

Privately issued securities based on pools of federally underwritten mortgages. The securities are guaranteed by the Government National Mortgage Association to attract capital into the residential mortgage market.

Nature of Program: The Government National Mortgage Association (GNMA) guarantees the timely payment of principal and interest to holders of securities issued by private lenders and backed by pools of HUD-insured and VA-guaranteed mortgages. The guarantee is backed by the full faith and credit of the United States Government.

The modified "pass through" security guarantees monthly payments of principal and interest due on mortgages in the pool regardless of whether they are collected from the mortgagors. All prepayments and claims settlements also are passed through to the security holders.

Potential issuers of securities pool federally underwritten mortgages of homogeneous type (single-family, multifamily project, or mobile home) and interest rate. Once the pool has been approved and the certificates prepared by GNMA, issuers can market securities directly to investors or through securities dealers.

Applicant Eligibility: Applicants must be FHA-approved mortgagees in good standing and generally have a net worth of not less than $100,000.

Legal Authority: Housing and Urban Development Act of 1968 (P.L. 90-448).

Administering Office: Government National Mortgage Association, Department of Housing and Urban Development, Washington, D.C. 20410..

Information Source: See administering office.

Current Status: Active.

Scope of Program: GNMA has guaranteed over $49 billion in mortgage-backed, pass-through securities from the inception of the program in early 1970 through November 1977.

GNMA SPECIAL ASSISTANCE MORTGAGE PURCHASES ("TANDEM")

A secondary mortgage market created by Government National Mortgage Association purchases of mortgages from private lenders to expand and facilitate investment in housing.

Nature of Program: The Government National Mortgage Association (GNMA) was originally established as a secondary market for federally-insured residential mortgages not readily saleable in the private market. These mortgages generally financed housing for groups or in areas with special needs.

More recently GNMA was authorized to purchase both federally-insured and conventional mortgages at below market interest rates to stimulate lagging housing production. These mortgages are then resold at current market prices with the government absorbing the loss as a subsidy.

Applicant Eligibility: FHA-approved mortgagees may apply to sell federally underwritten mortgages to GNMA. Lenders approved by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation to participate in their conventional mortgage purchase programs may apply to sell conventional loans to GNMA.

Legal Authority: Housing and Urban Development Acts of 1968 and 1969 (P.L. 90-448 and 91-152), Housing and Community Development Act of 1974, (P.L. 93-383), Emergency Home Purchase Assistance Act of 1974 (P.L. 93-449), Emergency Housing Act of 1975 (P.L. 94-50), Housing Authorization Act of 1976 (P.L. 94-375), and the Housing and Community Development Act of 1977 (P.L. 95-128).

Administering Office: Government National Mortgage Association, Department of Housing and Urban Development, Washington, D.C. 20410.

Information Source: Regional offices of the Federal National Mortgage Association in Atlanta, Chicago, Dallas, Los Angeles, and Philadelphia. Also see administering office.

Current Status: Twenty-five Special Assistance programs have been implemented since 1954. GNMA is currently purchasing mortgages pursuant to outstanding commitments under the following programs: program 17 (Section 236 and 221(d)(3) rent supplement projects); program 21 (unsubsidized multifamily projects); program 23 (HUD-insured multifamily project mortgages).

Scope of Program: Between January 1974 and September 30, 1977, GNMA issued $20.5 billion in commitments to purchase below-market interest rate mortgages under its Special Assistance program.

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    Property Improvement (Loan Insurance)

Title II:
  Section 203: Homes (One-to Four-Family) (Mortgage Insurance)
  Section 203(h): Disaster Housing
  Section 203(i): Outlying area properties
  Section 203(k): Major Home Improvements (Loan Insurance)
  Section 207: Multifamily Rental Housing (Mortgage Insurance)
    Mobile Home Parks (Mortgage Insurance)
  Section 213: Cooperative Housing (Mortgage Insurance)
  Section 220: Urban Renewal Housing (Mortgage Insurance)
  Section 221(h): Major Home Improvements (Loan Insurance)
  Section 221(d)(2): Homes for Low- and Moderate-Income Families
    (Mortgage Insurance)
  Section 221(d)(4): Rental Housing (Market Interest Rate) for
    Low- and Moderate-Income Families (Mortgage Insurance)
  Section 222: Homes for Servicemen (Mortgage Insurance)
  Section 223 (e): Housing in Declining Neighborhoods
    (Mortgage Insurance)
  Section 231: Senior Citizen Housing (Mortgage Insurance)
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  Section 240: Purchase of Fee Simple Title (Mortgage Insurance)
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Title XII: Urban Property Protection and Reinsurance

U.S. HOUSING ACT OF 1937 (P.L. 75-412)

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Low-Rent Public Housing
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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT, 1965 (P.L. 89-174)

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Title X:
Sections 1010 and 1011: Urban Research and Technology

HOUSING AND URBAN DEVELOPMENT ACT OF 1968 (P.L. 90-448)

Title I: Assistance to Nonprofit Sponsors
Title IV: New Communities
Title VIII: Government National Mortgage Association
Title XI: Urban Property Protection and Reinsurance
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CIVIL RIGHTS ACT OF 1968 (P.L. 90-284)

Title VIII: (Fair Housing); also Civil Rights Act of 1866 and 1964):
Equal Opportunity in Housing

HOUSING AND URBAN DEVELOPMENT ACT OF 1970 (P.L. 91-609)

Title V: Research and Technology
Title VI: Crime Insurance
Title VII: Urban Growth and New Community Development

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 (P.L. 93-383)

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Title II: Assisted Housing
Section 8: Lower Income Rental Assistance
Title III: Mortgage Credit Assistance
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Section 244: Coinsurance
Section 245: Experimental Financing
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Section 809: National Institute of Building Sciences (NIBS)
Section 810: Urban Homesteading
Section 811: Counseling

EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974 (P.L. 93-449)
Section 315: GNMA Conventional Tandem Authority

EMERGENCY HOMEOWNERS' RELIEF ACT
Title I: Standby Authority to Prevent Mortgage Foreclosures

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Title II: Housing Assistance and Related Programs
Title III: Federal Housing Administration Mortgage Insurance and Related Programs
Title IV: Lending Powers of Federal Savings and Loan Associations; Secondary Market Authorities
Title V: Rural Housing
Title VI: National Urban Policy
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(Previous Edition Current)

Coastal Zone Mgt - Legal Opinions

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K–STATE CAPITOL
JUNEAU, ALASKA 99811

March 6, 1980

The Honorable Arliss Sturgulewski
Senator
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: SCR 51-54

Dear Senator Sturgulewski:

This responds to your request for our views on the use of resolutions in the light of the ruling in State v. A.L.I.V.E. Voluntary. In preparing this response we have reviewed that decision and the memorandum from Director Barrier of the Legislative Affairs Agency to Representative Anderson and the memoranda from Legislative Counsel Cook to you. We would agree with them that the use of resolutions as a veto over regulations, programs, or other actions or proposed actions has been placed in great doubt. Indeed, we believe that the ruling makes their use a nullity.

In A.L.I.V.E., the court quoted the terms of the Administrative Procedure Act which provide for the legislature to annul a regulation by a concurrent resolution and said:

> This statute encompasses a variant of what has come to be called the legislative veto. The question in this case is whether this device violates article II of the Alaska Constitution. We hold that it does.

State v. A.L.I.V.E. Voluntary, ___ P.2d ___ (Op. No. 2022, Feb. 17, 1980), at 2 (citation omitted, emphasis added).

Accordingly, the ruling is on the basis that, except as expressly provided for by the constitution, the legislative veto is itself constitutionally impermissible, and -- as the dissent makes clear -- the court's decision leaves no room for argument.

The principal question posed by the ruling in A.L.I.V.E. is whether the court will treat the several statutory requirements for legislative vetoes as severable or nonseverable, that

is, whether the entire statute is invalid or just the provisions for the legislative veto. We can offer no general answer. Each statute must be examined separately. All that we can say is that a serious question exists, and if the legislature does not act to answer it with amendatory legislation, the court will do so on a case-by-case basis as each statute becomes the subject of litigation.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Rodger W. Pegues
Assistant Attorney General

RWP:md

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 6, 1980

SUBJECT: Status of approval of coastal zone management regulations

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

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

You have asked what effect the recent decision in State of Alaska v. A.L.I.V.E. Voluntary, (Feb. 19, 1980 Opinion No. 2022) has on approval of coastal zone management programs required by AS 46.40.080.

I have discussed this case in an earlier opinion for Representative Anderson. With his permission, I have made this opinion available to other legislators. A copy of that opinion is attached.

For coastal zone management programs simply requiring approval by bill rather than by concurrent resolution could create substantial problems under Article II, section 19 of the Constitution which prohibits the use of local or special acts where a general act can be made applicable. It may be possible that the legislation can be restructured to bring approval by law within the test for special legislation used in State v. Lewis, 559 P.2d 630 (Alaska 1977) which is the case approving the Cook Inlet land transfer; but this would involve substantial policy decisions by the legislature.

In my earlier opinion, I recommended proceeding in the areas by the use of concurrent resolutions knowing there is a risk involved. This is, of course, a policy decision to be made by the legislators. It would appear probable in this context that if the approval mechanism were held invalid, a court would hold the approval mechanism unnecessary to the validity of the programs and sustain the programs.

BGB:jdn

Attachment

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 28, 1980

SUBJECT: State of Alaska v. A.L.I.V.E. Voluntary

TO: Representative Nels A. Anderson, Jr.
House Majority Leader

FROM: Billy G. Berrier
Director
Division of Legal Services

You have asked my comments on the decision of the Supreme Court in the case of State of Alaska v. A.L.I.V.E. Voluntary, (File No. 3670). A copy of the decision is attached.

The case concerns a regulation relating to games of skill and chance annulled by the legislature. The authority for annulment was AS 44.62.320(a) which provides:

> The legislature, by a concurrent resolution adopted by a vote of both houses, may annul a regulation of an agency or department.

The Administrative Procedure Act was adopted by the First State Legislature in 1959. This Act provided, among other things, for the procedure by which regulations of agencies or departments are promulgated and the section was enacted as part of that procedure.

The Court held, with a majority opinion of three justices and a strong dissent by two justices, that regulations could not constitutionally be annulled by concurrent resolution since a resolution is not enacted in accordance with the requirements in Article II of the Constitution for adoption of law. The result, of course, is a non sequitor since the majority opinion avoided addressing the difference between regulation and law and finding that despite the difference, the enactment procedures applied. They, therefore, assumed the middle term of the syllogism and rambled widely to provide a substitute for the missing logic. Various cases were cited, only one of which was relevant and that one is no longer good law in its own jurisdiction.

For this reason, it is very difficult to determine the effect of the decision.

The holding is explicit that regulations may not be annulled by concurrent resolution. Although it is not explicitly stated, there is a clear implication that annulment by bill is constitutional.

Beyond that, the Court made several statements which do not appear necessary to the holding in this case. Much of this dicta is in sweeping terms. It casts doubt over substantial areas and, since the reasoning is essentially stream of consciousness rather than coherent, gives only minimal clues concerning the legal status of these areas.

Essentially the areas affected fall into two classes

(1) regulations and legislative oversight of regulations; and

(2) other areas of law where concurrent resolutions are used to provide legislative oversight.

On regulations the majority opinion states broadly:

> "The express provision in the Alaska Constitution of two specific legislative veto mechanisms supports our view that no implied general power to veto agency regulations by informal legislative action exists.
>
> * * *
>
> "In our view, the specificity with which the constitution deals with the legislative veto powers it does grant leads logically to the conclusion that no other veto power is implied."

The case law on regulations which the majority opinion cited is not helpful. One of the cases is on point but is no longer good law in its own jurisdiction, the second is a trial court decision and the last is a federal case where the question of a one-house veto was present but not reached. The discussion of this last case illustrates the difficulty in following the reasoning in the majority opinion. The Court referring to the United States Circuit Court decision in Atkins v. United States, 556 F2d 1028 (1977) said:

> The court implied that for one House to have the authority to make such a change would be unconstitutional: "Nor could one House do anything more than preserve existing law . . ." Id. at 1064. In contrast, the annullment provisions of AS 44.62.320(a) permit the legislature to void administrative regulations which are in effect. Such regulations are laws in every meaningful sense, and annulling any one of them effects a change in the law.

The connection and logic totally escape me.

In its discussion of delegation of power to annul regulations, an issue injected into the opinion since no delegation is involved in the case before the Court, the opinion is even less helpful. The majority opinion observes:

> "While the power to void agency regulations could be exercised by either the legislature, or by an agency, when the legislature exercises such power it must do so while acting as a legislature. It may not grant itself the power to act as an agency.
>
> "It might be supposed that if the legislature could condition the validity of a regulation upon the subsequent disapproval by both of its houses by concurrent resolution, it could condition the same upon disapproval by a committee, or a single legislator. Using the theory, propounded by the Amici, that a veto is merely a condition there is no principled distinction between these cases. It is therefore worth observing that most authorities have rejected the validity of laws conferring either affirmative or negatory legislative powers on individual legislators or legislative committees."

Perhaps the second point made by the majority opinion in discussing the desirability of legislative oversight of administrative regulations gives the best clue. The opinion stated:

> Second, at least according to a recent case study, the legislative veto has been unimpressive in practice. See Bruff & Gellhorn, Congressional Control of Administrative Regulation: A Study of Legislative Vetoes, 90 Harv. L. Rev., 1369 (1977). That study concludes, essentially, that the legislative veto encourages secretive, poorly

> informed, and politically unaccountable legislative action. Id. at 1409-20. It is consequences such as these that the enactment provisions of our constitution are designed to guard against.

It should be pointed out that the facts concerning the annulment which was the subject matter of the case do not support a conclusion that the annulment resulted from "secretive, poorly informed and politically unaccountable legislative action" but that, of course, is not material.

It is my conclusion that any annulment of regulation other than by law would be unconstitutional under this case. Although the question is not discussed since it is not relevant to the case, it is very clear that regulations which have the effect of law require statutory authorization and the legislature can withdraw the authorization or establish standards in whatever degree of specificity the legislature desired. Since in case of conflict between statute and regulation the statute controls, it is also clearly permissible to make the substantive statutes detailed thereby leaving less or no areas which must be dealt with by regulations. This latter course, however, involves a loss of flexibility and administrative expertise.

It appears that any form of legislative oversight of administrative regulations would be regarded with suspicion by the court. However, devices such as providing chat no regulation can become effective until it has been before the legislature in session for a set time or even a provision that no regulation may become effective unless approved by law are not clearly precluded.

In Plumley v. Hale, 594 P.2d 497 (Alaska 1979), our Court discussed the question of non-retroactive treatment in civil cases. The Court in that case stated:

> In accord with United States Supreme Court precedent, we have previously identified four conditions indicating the propriety of non-retoractive treatment in civil cases: 1) the holding is one of first impression, or overrules prior law, and was not foreshadowed in earlier decisions; 2) there has been justifiable reliance on an alternative interpretation of the law; 3) undue hardship would result from retroactive application; and 4) the

> purpose and intended effect of the holding is best accomplished by prospective application.

The case concerned approval of free conference committee reports without a recorded roll call vote. The Court held the criteria to be satisfied and the decision to be prospective only. In my opinion the facts here, while not as compelling as the facts in Plumley, would lead to a conclusion that annulment of regulations which occurred prior to this case are not affected by the case.

The second major problem area is legislative oversight exercised by concurrent resolution in other areas than regulation oversight. The majority opinion made a very broad statement saying:

> The question presented by this case is whether the legislature can exercise its legislative power without following these enactment provisions. In our view the answer must be in the negative, for otherwise they would serve no purpose.

(The dissenting opinion quite correctly pointed out this is not the question at all. Justice Boochever said

> In my opinion, the majority misstates the question presented as being whether the legislature can exercise its legislative power without the usual constitutional safeguards. The real question is whether, having exercised its legislative power, subject to all those safeguards, it may condition the delegation of regulatory power to an executive agency upon a provision for legislative oversight. I agree with our statement in Boehl that the legislature has that power.

This view will be significant in subsequent cases which concern the use of concurrent resolutions in context other than annulment of regulations placing as it does the issue before the Court in focus.)

The majority opinion went on the say:

> Of course, when the legislature wishes to act in an advisory capacity if may act by resolution. However, when it means to take action having a binding effect on

those outside the legislature it may do so only by following the enactment procedures.

While the dissent noted that numerous other statutes provide some specific legislative review function by concurrent resolution, the majority opinion does not specifically address this. The sweeping generality of the majority opinion clouds, and on its face forbids, these other functions.

These include:

1. AS 18.45.025 -- Approval of facilities siting permit for nuclear facilities.

2. AS 18.65.060 -- Disapproval of regulations relating to compilation of criminal justice information and release of this information.

3. AS 28.05.021 -- Approval of compacts with other states relating to motor vehicle registration and driving licenses.

4. AS 28.15.141 -- Approval of regulations relating to classification of drivers licenses.

5. AS 28.15.081 -- Approval of regulations relating to drivers license examination.

6. AS 35.10.080 -- Approval of physical facility procurement and planning policy.

7. AS 37.05.280 -- Approval of leases by the state with a rental in excess of $12,000. (While this has general application, it was adopted as part of and specifically relates to construction of public buildings by ASHA for lease to the state and is necessary for the validity of the revenue bonds issued by ASHA.)

8. AS 37.12.080 -- Approval of investments in a single project or to a single applicant by Alaska Renewable Resources Corporation if the investment exceeds $1,500,000 or five percent of the resources of the corporation.

9. AS 38.05.037 -- Disapproval of zoning by the division of lands in the unorganized borough.

10. AS 38.05.182 -- Disapproval of a determination by the Commissioner of the Department of Natural Resources that the taking of royalty on natural resources in money rather than in kind is in the best interests of the state.

11. AS 38.05.065 -- Approval of disposition of oil and gas and contracts for sale of state owned royalty gas or oil.

12. AS 39.23.080 -- Approval of salary commission recommendations. (This is now repealed but until the pay bill this year went into effect, it was the basis on which higher government officials, including the governor, legislators and judges, were paid.)

13. AS 44.55.110 -- Approval of Alaska Power Authority plans. This approval is a specific condition on bonding.

14. AS 44.57.210 -- Approval of projects of the Alaska Toll Bridge Authority. This approval is required before bonds may be issued.

15. AS 46.03.758 -- Disapproval of regulations establishing civil penalties for discharge of oil.

16. AS 46.40.080 -- Approval of Alaska coastal management programs.

While all of these are clouded by the language in the majority opinion, that language is clearly dicta except on the point of annulment of regulations. In my opinion, an attempt to determine whether in later cases the court would follow the broad sweep in the instant case, narrow that sweep depending on the issue before it, or even confine the case to its facts would be pure speculation. Courts have frequently done all three. The majority opinion with its conclusionary approach unsupported by a coherent rationale is of little assistance in determing the scope of the opinion.

Earlier in the opinion, I discussed retro-activity as it applied to regulations annuled by concurrent resolution before the opinion. There is an even stronger case for holding that retroactive application cannot be given to a decision in the areas where annulment of regulations is not in question.

I am, however, very distrubed by the possibility that a future decision in this area could be retroactive to the date of this decision based on a finding by the Court that this decision "clearly foreshadowed" a subsequent decision that resolutions could not be used as prescribed in these statutes. I do not think this would be the decision since certainly at the time of enactment of the laws referred to there was no foreshadowing and bringing all legislative action to a halt in areas of major concern to the state while the legislature re-wrote the law in these areas is certainly not reasonable.

Since the alternative would be to halt, among other things, power development, coastal zone management, and oil and gas sales based on a possibility that the Court will look on legislative oversight in these areas as unfavorably as it does on legislative oversight of regulations, I recommend continuing to operate within the statutory framework now established until the Court, by a subsequent decision, clarifies its position.

I would also recommend that the legislature consider the question of what options are open to it to meet the serious problems created by the case.

BGB:jdn

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 26, 1980

SUBJECT: Legislative role in approving coastal management programs.

TO: Senator Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee
Attn: Margo Waring, A.A.

FROM: Tamara Brandt Cook TBC
Legislative Counsel

AS 46.40.080 simply provides for adoption by the legislature of coastal management programs which have already been reviewed and approved by the council. Clearly under the terms of this statute the legislature may approve the program or disapprove the program. Although the statute does not provide for the situation involving legislative approval of only part of a program, there is also no clear requirement that the legislature approve or disapprove the entire program. In fact, the legislature has done just that on previous occasions, so there is some precedent for the proposition that under the terms of AS 46.40.080 the legislature may approve a program in part and disapprove it in part. SLA 1978, Legislative Resolve Number 41.

Under AS 46.40.060 all district coastal management programs are submitted to the Alaska Coastal Policy Council for review and approval. Standards for council review are itemized in AS 46.40.070. In view of these provisions, an argument could be made that the legislature should not disapprove a program or part of a program that has been adopted by the council unless it finds that the council failed to properly apply the standards set out.

Since there is no case law on point and the language of the statute does not specifically restrict the legislative role, the legislature appears to be free to approve a management program, disapprove a program, or approve it in part and disapprove it in part. Note that the recent case, State of Alaska, and Department of Revenue v. A.L.I.V.E. Voluntary, No. 2022, February 19, 1980 casts considerable doubt upon the ultimate effect of legislative resolutions.

TBC:ljb

OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH V STATE CAPITOL
JUNEAU ALASKA 998[illegible]
907-465-3800

M E M O R A N D U M February 26, 1980

SUBJECT: Constitutionality of legislative approval or disapproval by resolution of agency regulations.
(Work Orders No. 8190, 8191, 8192, and 8193)

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

FROM: Tamara Brandt Cook
Legislative Counsel

AS 44.62.320(a) which provides that the legislature, by a concurrent resolution, may annul a regulation of an agency or department, was recently held to be unconstitutional. State of Alaska, and Department of Revenue v. A.L.I.V.E. Voluntary, No. 2022, February 19, 1980. Essentially, that case held that specific provisions of the Alaska Constitution set out in Article II, sections 13, 14, and 18 must be complied with before the legislature can make new law. Additionally, the governor must have the opportunity to veto any new law. In view of these mechanics, the Supreme Court has concluded that the legislature may not create new law through resolution. The proposition that administrative regulations are not the same as bills and ought not to be subject to the same requirements was specifically presented and rejected by the Court. "Such regulations are laws in every meaningful sense, and annulling any one of them effects a change in the law." State of Alaska, and Department of Revenue v. A.L.I.V.E. Voluntary, supra, 21.

The Court recognized that the legislature may delegate law-making power to an administrative agency, and that the delegation could be made subject to a condition. But the condition must be lawful. Making a delegation subject to later change by the legislature through informal action (resolution) was held to be an unlawful condition. The Court reasoned that whenever the legislature exercises its law-making power, it must do so pursuant to the mechanics

set out in the constitution. While an agency may adopt regulations without following any of the same mechanics, the legislature may not act as an agency itself.

In view of this broad holding, AS 46.40.080, requiring approval of amendments to the state coastal management program by adoption of concurrent resolution or by majority vote while both houses are convened to confirm executive appointments, is questionable constitutionally since both these methods constitute informal law-making on the part of the legislature. Although this case did not deal with AS 46.40.080 specifically, it is significant to note that AS 46.40.080 was identified in the dissenting opinion as another example of a statute similar to the one held to be unconstitutional. State of Alaska, and Department of Revenue v. A.L.I.V.E. Voluntary, supra, 46.

TBC:ljb

Enclosure

READING

FILE

Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

CAPITAL FOUNDATION

FUND

Intent

It is the intent of this legislation to establish a capital foundation program which will equitably provide funds for the orderly development of capital improvements throughout the state. It is intended that the planning for such developments reflect regional and local needs and priorities and that, whenever possible, borough governments have complete responsibility for the expenditure of the capital foundation program funds.

This legislation recognizes that most capital development projects have greater than local significance and should, therefore, be planned and prioritized on the regional level. Further, the legislation acknowledges that the cost of construction and the cost of maintenance are closely related and that maximally efficient use of funds is encouraged by combining maintenance and construction funds.

Formula

Please see attached pages.

Funds may be used for either capital construction, betterment or maintenance, but not operation of the facilities. Funds allocated to either organized or unorganized boroughs do not lapse and may be accumulated for large projects or for growth management purposes.

Question: Should there be a ceiling on the amount which may be accumulated by any one borough?

Eligible Facilities

libraries
public protection facilities including fire service and holding facilities
neighborhood parks and other recreation facilities
water/sewer
solid waste and resource recovery facilities
health facilities
community facilities
Transportation facilities such as local service roads & trails, small boat harbors, seaplane floats, local transit facilities and equipment, upgrading and improvements in existing air transport facilities such as aviation aides and improvements and associated field improvements, emergency and/or recreational airstrips, so long as no transportation facilities jeopardize or are inconsistent with the state system as defined in the regional transportation plans and the State Facilities Plan.

However, only projects identified in the capital improvement plan are eligible for Capital Foundation Program expenditures.

Distribution

Capital Foundation Program funds will be distributed by formula to boroughs and to unified home rule municipalities, provided each has developed a capital improvement plan which includes a priority listing of capital improvement projects. In organized boroughs the cip will need assembly approval, after a public hearing.

In third class boroughs and for the unorganized borough, the following measures are taken to provide for planned regional development of capital improvements, as there is no regional government responsible for planning and expending funds.

Funds will be distributed to unorganized boroughs (SB 348). If this legislation is not passed, funds will be distributed to those areas identified as REAA's.

However, expenditure of the funds for unorganized boroughs is the responsibility of DOTPF. In order to properly plan for and prioritize capital improvements in the unorganized boroughs, advisory groups are established to assist DOTPF. (Amend Chap. 168 SLA 78).

Regional Advisory Councils

Advisory Council members are appointed by the Governor.

Membership of the advisory groups will consist of one elected official from each first class city or municipality, selected by the city. Additional representation from elected officials of second class cities and representatives of unincorporated communities shall be selected from nominations made by the Division of Community Planning, DCRA and DOTPF. Each regional advisory council shall consist of fifteen members.

The regional advisory councils will assist DOTPF in the development of a regional capital improvement plan, in prioritization among projects, in decision making regarding trade-offs between maintenance and new construction, and in project scheduling.

If an unorganized borough opts to become organized, the borough government will assume the capital improvement planning responsibility, responsibility for foundation program funds and may take title to existing capital improvement projects.

Definitions

Maintenance means preservation, upkeep and repair to keep a facility as close as possible to original condition.

Betterment means improvements, adjustments, additions which more than restore to a former condition for better service without major changes in original construction.

Operation means all costs attributable to utilization of the facility, such as heat, light, janitorial services.

CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts on the basis of population and one-half on the basis of area; and (b) determining the share of an individual municipality or unorganized borough by multiplying its population and area by the construction cost differential for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) 'population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

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

ILLUSTRATION OF FORMULA (in round terms)

Base:	Population	X	Construction Cost Differential		Area (Sq. Mi.)	X	Construction Cost Differential	
Organized Areas	349,000		1.0	= 349,000	149,376		1.0	= 149,376
Unorganized Boroughs	80,000		1.25	= 100,000	437,036		1.25	= 546,295
	429,000			449,000				695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

349,000 / 449,000	= .78	X	$42,900,000	= $33,462,000		
149,376 / 695,671	= .215	X	$42,900,000	= 9,223,500		
				$42,685,500		$42,685,500

Unorganized Boroughs

100,000 / 449,000	= .22	X	$42,900,000	= $ 9,438,000		
546,295 / 695,671	= .785	X	$42,900,000	= 33,676,500		
				$43,114,500		43,114,500
					Total	$85,800,000

Reading file

March 31, 1980

TO: Senator Clem Tillion

FROM: Senator Arliss Sturgulewski

RE: Revision of AS 29

It is generally recognized, especially by those who work most closely with it, that AS 29 is in need of revision. Since the time of original enactment, changes in the title, problems in its application, and policy questions of importance have been noted by municipal attorneys, city managers and clerks, and such other municipal officials as assessors. The Legislative Revisor has indicated that AS 29 should be next approached in terms of needed revision.

The work of revision is complicated and, at times, highly technical. I have received numerous inquiries and requests for a process by which to revise AS 29. I have discussed this problem with many people, including Mr. Berrier, and Ms. Chitwood of the Alaska Municipal League.

I would like to suggest the following as an approach to the revision of AS 29 during the period of time between this session and the 1981 session. Funds and responsibility for this project would be directed by the Legislative Council to Mr. Billy Berrier, Legislative Legal Services, to conduct the revision. I foresee the project as follows: two groups would be selected by Mr. Berrier from recommendations provided by the Department of Community and Regional Affairs, Alaska Municipal League and other interested and affected parties. The first group would be a policy advisory group composed of a variety of perspectives and interests, representing the diversity of local governments across the state, and would include a representative of the legislature. The second, a much smaller group, would be a working group, composed of people who have had experience in the application of AS 29. The work group should consist of municipal attorneys, representatives of the Department of Community and Regional Affairs and the Department of Law, as well as a staff member of Legislative Legal Services; other municipal staff functions should also be represented, such as managers or clerks. While the actual technical work would be conducted by the working group, the policy group would provide overall guidance and assistance on policy questions.

Administrative and secretarial responsbility would rest in Legal Services. In order to support this project funds would be required for travel and per diem. Most local governments will be glad to contribute staff time to this project. However, for both the policy and the working group it will be necessary to provide travel funds. As often as possible, teleconferencing will be used to reduce travel needs and to expedite the

project. A draft bill will be ready for January 1981.

It is anticipated that $20,000 should cover the cost of this project. Any funds remaining would be returned.

Thank you for your attention to this matter.

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 8, 1980

TO: Senator Arliss Sturgulewski
Representative Hugh Malone

FROM: Margo W. Waring & Paul Quesnel

RE: Sunset Free Conference Committee

Our previous memorandum on this subject (Feb. 29, 1980) conveyed to you the options and recommendations of Gerald Wilkerson, Legislative Audit. In this memorandum, we would like to present a fuller discussion of the issue of revision of the sunset process.

To establish a context for decisions about sunset revisions, a restatement of the policy approach of the sunset legislation may be appropriate. The significant difference between sunset and previously existing audit and review laws (as embodied in AS 24.20, Legislative Budget and Audit and AS 37.07 Executive Budget Act) is the provision for automatic termination of programs and agencies unless positive joint legislative action is taken. The philosophic assumption informing this approach is that needless government regulation over the private lives of individuals exists that creates a costly and needless burden. Hence, only positive action would save these agencies from automatic extinction. This bias of "guilty til proved innocent" is the key distinction between traditional audit and review mechanisms and the mechanism available in the sunset process.

Alaska's experience with sunset has not been atypical: few agencies have been allowed to terminate. A great deal of time, energy, and money has gone into reviewing boards and determining both their effectiveness and the adequacy of their enabling legislation. However, apparently, few legislators have felt a deep commitment to sunset, and several standing committees have found their time overwhelmed by the demands of the sunset process.

It is within this context that our instructions were given: to review the sunset process with a goal of a revision which would focus on those agencies/boards which require review, free regular committees from the burden of so tight a schedule, yet maintain the sunset process.

While the instructions are clear, the criteria used for judging any particular option are stringent: any number of alternatives would achieve the first two criteria; very few will meet the added criterion of

maintaining a process in which agencies/boards are automatically terminated unless positive action is taken by the legislature.

Discussion of Alternatives

1. The first alternative is the one suggested by Mr. Wilkerson (memorandum of February 29, 1980) in which legislators annually target agencies for sunset. While this option preserves the appearance of the existing sunset process, it should be noted that the power to annually target agencies/boards for sunset already exists under AS 24.20.271 relating to legislative audit. Passage of legislation which would enact this option would essentially duplicate existing authorities. Nothing more would be achieved than would be achieved by the simple repeal of sunset. Additionally, since bills would need to be signed by the Governor, possible veto could endanger this approach.

2. As mentioned in the memorandum of February 29, 1980, stretching out the existing schedule would meet the three criteria we were given, with the exception of focussing on agencies "in need" of sunset review. Even so, this option merits further discussion, as its implementation could be within the function of the Free Conference Committee itself. Legislative Legal Services informs us that the original intention behind placing the health boards in one group for sunset review was to achieve certain efficiences in approach and to provide for coordination in review, so that consolidations, cross references and other inter-disciplinary approaches could be undertaken by the legislature. However, the Free Conference could elect to extend the life of the health boards by varying lengths. For example, while the Psychology Board might be extended for one year, the Board of Nursing could be extended for six or eight years, effectively staggering reviews over a longer time period. Such action would achieve all three objectives: more frequent attention on those boards "in need" of review, less work for the standing committees, and retention of the sunset process.

3. If greater attention is paid to the concept of "less work" than to the other criteria, other options suggest themselves.

a) The sunset legislation allows for joint hearings on the agencies/boards. If joint hearings were held, less total legislative time would be spent; it would be easier for board members to participate, and the whole process would be less expensive. These benefits would be increased if boards were extended for greater periods of time, as suggested in 2 above.

b) Most states, in their sunset legislation, review only licensing/regulatory boards. If the Sunset Act were amended to eliminate the program agencies, then the work load would be reduced. In support of this concept, it should be remembered that program agencies can and are routinely reviewed and audited, that the executive budget process performs similar performance reviews and that the perceived burden of government regulation on the lives of citizens comes substantially from the public interest efforts of licensing and regulatory boards. Hence, if program agencies were to be removed from the sunset list, all three criteria would be observed, without great loss, as program agencies can and are routinely reviewed under traditional mechanisms.

Either or both of the options mentioned in 3(a) and (b) can be supported by the following argument. During the first cycle of sunset reviews, a great deal has been learned regarding the conduct of the process. In 1983, when the boards would again be sunsetted, review criteria will be easier to establish, the organization and scheduling of hearings should be easier, and, perhaps most significantly, there should be less to review as most of the boards will have undergone considerable revision of their practice acts.

4. There is a fourth alternative which would also meet the criteria given to us. This option does not necessarily involve changes in the sunset process or in the scheduling of boards for review. Instead, the legislature itself could establish an alternative process for the sunset reviews. A standing Sunset Committee (perhaps a Joint Committee) would be established. Staff would be hired for this committee. In favor of this option are several efficiences of effort. Although the same time and money would be spent as now, those efforts and funds could be more efficiently used. Staff would develop an expertise in the sunset process, hearings could be held over the interim, deadlines would be more easily met, and the public could be educated regarding the public interest goals of the boards, thus encouraging greater public participation in the sunset hearings. The theoretical loss involved in this option would be the expertise of existing standing committees.

This option could be combined with those detailed in 3(a) and (b) above.

After this memorandum was written, we received a copy of the "House Commerce Committee Interim Report, Sunset in Alaska, 1979-1980." On page 32 of that document a recommendation is made to establish a permanent committee on sunset. A copy of that page is attached to this memorandum.

Summary

There are several options which meet the criteria assigned to us for use in selecting optional revisions of the sunset process. Several of the options can be combined. Of importance in the consideration of these options is whether or not you wish to pursue an aggressive sunset review program. If so, the process selected should be well established and supported. On the other hand, you may consider that the primary value of sunset has already been achieved by the first sunset cycle: revisions to practice acts have been made, board performance has been improved, management adjustments have occurred, and some boards may have been terminated. In other words, we see this juncture as a further determination of the public interest and how that may be served.

Enclosure

March 7, 1980

TO: Arliss Sturgulewski
Chair, Senate Community & Regional Affairs

Hugh Malone
Chair, House Special Committee on the
Permanent Fund

FROM: Margo W. Waring
Jim Rhode
Marge Gorsuch

RE: Capital Foundation Fund

At your request, we have prepared the attached material on a proposed Capital Foundation Fund. We have attempted a thorough listing of all pertinent points.

If you wuld like, we can meet at your earliest convenience to answer any questions you may have.

Attachment

March 24, 1980

TO: Committee Members
Community and Regional Affairs

FROM: Senator Arliss Sturgulewski

RE: Capital Foundation Fund

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

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In third class boroughs and for the unorganized borough, the following measures are taken to provide for planned regional development of capital improvements, as there is no regional government responsible for planning and expending funds.

Funds will be distributed to unorganized boroughs (SB 348). If this legislation is not passed, funds will be distributed to those areas identified as REAA's.

However, expenditure of the funds for unorganized boroughs is the responsibility of DOTPF. In order to properly plan for and prioritize capital improvements in the unorganized boroughs, advisory groups are established to assist DOTPF. (Amend Chap. 168 SLA 78). Accumulated funds will be managed by the Commissioner of Revenue.

Regional Advisory Councils

Advisory Council members are appointed by the Governor.

Membership of the advisory groups will consist of one elected official from each first class city or municipality, selected by the city. Additional representation from elected officials of second class cities and representatives of unincorporated communities shall be selected from nominations made by the Division of Community Planning, DCRA and DOTPF. Each regional advisory council shall consist of fifteen members.

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CAPITAL FOUNDATION

FUND

Intent

It is the intent of this legislation to establish a capital foundation program which will equitably provide funds for the orderly development of capital improvements throughout the state. It is intended that the planning for such developments reflect regional and local needs and priorities and that, whenever possible, borough governments have complete responsibility for the expenditure of the capital foundation program funds.

This legislation recognizes that most capital development projects have greater than local significance and should, therefore, be planned and prioritized on the regional level. Further, the legislation acknowledges that the cost of construction and the cost of maintenance are closely related and that maximally efficient use of funds is encouraged by combining maintenance and construction funds.

Formula

Please see attached pages.

Funds may be used for either capital construction, betterment or maintenance, but not operation of the facilities. Funds allocated to either organized or unorganized boroughs do not lapse and may be accumulated for large projects or for growth management purposes.

Question: Should there be a ceiling on the amount which may be accumulated by any one borough?

Eligible Facilities

libraries
public protection facilities including fire service and holding facilities
neighborhood parks and other recreation facilities
water/sewer
solid waste and resource recovery facilities
health facilities
community facilities
Transportation facilities such as local service roads & trails, small boat harbors, seaplane floats, local transit facilities and equipment, upgrading and improvements in existing air transport facilities such as aviation aides and improvements and associated field improvements, emergency and/or recreational airstrips, so long as no transportation facilities jeopardize or are inconsistent with the state system as defined in the regional transportation plans and the State Facilities Plan.

However, only projects identified in the capital improvement plan are eligible for Capital Foundation Program expenditures.

Should schools, correctional facilities, energy projects of any scale be included?

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

February 29, 1980

TO: Senator Arliss Sturgulewski
Representative Hugh Malone

FROM: Margo W. Waring
Paul Quesnel

RE: Sunset Free Conference

As requested, we spoke with Gerald Wilkerson regarding a schedule of sunsets that would achieve several objectives: focus on those agencies/boards which require review, free regular committees from the burden of so tight a schedule, yet maintain the sunset process.

Our discussion was a fruitful one. Several options were discussed. Below are three options which appear most worthwhile. The first is the one recommended by Mr. Wilkerson for possible action.

1. Eliminate from the sunset statute that language which lists the agencies and their review schedule. Instead, substitute language which would achieve the following: each year, prior to the year in which the review will take place, legislators will submit bills designating agencies for sunset review. These bills would be acted upon in the usual manner. This new process would be in addition to the process followed by LB&A, though additional language might be added to separately identify LB&A recommendations for sunset reviews as being transmitted to both houses by, for example, March 30.

The benefits of this approach are that the work load would be selected by those who will be doing the work. Legislators would be able to translate their own and their constituents' concerns into a work schedule for the next session. It may be anticipated that, having selected for review those agencies which legislators feel require review, there will be attention and follow-up during the subsequent session. Since there would be a focus on those agencies which require sunset, agencies which are functioning well can continue to do so. On the negative side, it would be possible for a single agency/board/commission to be selected year after year, impairing their effectiveness. This difficulty could be resolved by additional language which would limit the numbers of reviews possible (as in, "No agency can be selected for review in two consecutive years.")

2. Another solution which could achieve the objectives identified above would be to stretch out the existing schedule so that, for example,

Reading

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 3, 1980

TO: Billy Berrier, Director
Legal Services

FROM: Arliss Sturgulewski
Chairman

RE: Legal Opinion Request

As a result of our public hearing on February 19, 1980, a legal opinion is requested concerning the substitution of the word "construction" for "capital improvements" in the title and body of SB 436.

The Department of Environmental Conservation testified on behalf of their concern. In the past, the program has funded items such as water delivery vehicles and honey bucket trucks, and they wish to continue this practice. They felt these items might not be included as a definition of "construction;" but could certainly be included as "capital improvements."

In order that the wording substitution does not modify the department's practice of funding some non-construction costs, particularly rolling stock, a legal opinion is desired. Would you also send a copy of this opinion to the Senate Finance Committee, where this bill was recently referred. Thank you.

cc: Senate Finance
Dept. Env. Cons.

May 19, 1980

TO: Myrt Charney, Executive Director
Legislative Affairs

FROM: Senator Arliss Sturgulewski
Chairman, Community and Regional Affairs Committee

The Senate Community and Regional Affairs Committee proposes to undertake a project, starting at the end of the second session of the Eleventh Legislature, which would forward the work of the House and Senate Joint Interim Committees completed during the interim between the first and the second session of the Eleventh Legislature. This work will serve to knit together the various threads of studies and policy analysis that will be on-going during the time period prior to the commencement of the First Session of the Twelfth Legislature.

In addition, the Senate CRA Committee proposes to undertake a separate special study that will be beneficial to Senate members during the next session. A full project description has been developed and is attached, along with background material and the budget breakdown. The project is estimated to cost $32,144.

I would appreciate it if you would take the necessary steps to process this request for the committee. I also would appreciate receiving, as soon as possible, specific information regarding office space and other incidental arrangements.

Your assistance is appreciated.

cc: Senator Tillion
Senator Hohman

Enclosure

TO: Billy Berrier, Director
Division of Legal Services

FROM: Twyla Hartsock, Administrative Assistant
Senate C/RA Committee

SUBJECT: SCS CSHB 932

The Senate C/RA Committee this date passed "Senate Committee Substitute" version (WO 7871-Berrier) out with the following additional amendments:

pg. 1 - line 6 - title: delete "the office of rural development, and"

pg. 2 - line 14: delete "Office of" and add "Council" following "development."

pg. 5 - lines 18-20: delete sec. 44.19.226.
pg. 5 - line 23: delete "and the office"
pg. 5 - line 27: add "Executive" between "the" and "director"; delete "of the office" and add "the" between "of" and "rural"
pg. 5 - line 28: add "Council" following "Development"

pg. 6 - lines 1 & 2: state more clearly this section <u>will be repealed</u>.

Would you please incorporate the above changes and return the final "SCS" jacketed version as soon as possible. When it is received, the bill will be immediately forwarded to the Senate Secretary's Office for transmittal to the next referral, the Senate Finance Committee.

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

May 14, 1980

Dear Friend:

By this letter we are transmitting to you a copy of one of the pieces of work prepared for the Joint House and Senate Community and Regional Affairs Committees for their Local Government Study.

The positions stated are those of the consultant, Vic Fischer, and are thought-provoking. We feel that the report raises issues that may need to be addressed in the future. We would be interested in learning your response to this report and any suggestions you might have for future legislative action.

Distribution of this report is rather limited, but if you know of other people who might be interested in receiving a copy, please let us know and we will be glad to send one to them.

Sincerely,

Representative Bill Parker
Co-chairman, C/RA Committee

Senator Arliss Sturgulewski
Co-chairman, C/RA Committee

May 7, 1980

TO: John B. Chenoweth
Legislative Counsel

FROM: Twyla Hartsock, Administrative Assistant
Senate C/RA Committee

RE: W.O. 8250

A sectional analysis is requested on SCS CS HB 947, the latest revised version as of this date.

Question - AS 23.025 (f) p. 3

If the commissioner determines maladjustment, what happens next? The Senate C/RA members feel the commissioner's findings should be advisory only and that there would be no legal ramifications involved. Page 4, line 14-16 -- scratch G-(3) to reflect above intent. Section 29.23.025. Judicial - should also reflect above intent.

Page 4 - change period to a semicolon and add the following, beginning in the next line:

"provided, if the change in subject to review by a federal agency, the change shall become effective with the first regular election of borough assembly members which is held more than 60 days after receipt of such agency approval of or nonobjection to the change or the expiration of the time during which the agency may object."

Above should apply to both sections (1) and (2).

Page 4, delete lines 25-29

Page 5, delete lines 1-3

Page 5, line 9, delete under AS 29.23.025

Page 5, line 22, delete borough assembly and insert "legislative body"

Page 5, end of line 22, delete "borough"

Page 5, line 23, delete "assembly"

SR Citizen
property
TAX DEDUC

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

4/18/80

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

To; Myrt Charney, Executive Director
Legislative Affairs Agency

From: Senator Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs
Rep. Bill Parker, Chairman
House Community & Regional Affairs

RE: Joint Local Government Interim RSA from DPDP, Office of Coastal Zone Management

---

Myrt,

It appears that there is a question related to the disposition of $12,000 which remained in the Senate Community and Regional Affairs Interim budget and which had been allocated for use of the Joint House and Senate Community and Regional Affairs Committee Local Government Study conducted during 1979. It was our intent and direction that these funds be returned to the Division of Policy Development and Planning, Office of Coastal Management.

The history of the Reimbursable Services Agreement between OCM and Legislative Affairs Agency for $25,000 can be reconstructed as follows. The documenting memos are attached.

1. A Reimbursable Services Agreement was approved on Sept. 14, 1979 between the Division of Policy Development & Planning, Office of Coastal Management and the Legislative Affairs Agency for services to be performed. Specifically, the RSA specified that public hearings would be conducted and staff services provided for the local government study. The amount of the RSA was $25,000.

2. On September 26, 1979 a memo was sent to the Division of Administrative Services by staff of the Joint Committee indicating the intent of the Chairmen that funds appropriated by

the Legislative Council for the Interim Local Government Study be expended BEFORE the $25,000 from the Office of Coastal Zone Management was to be expended.

3. Prior to the Second Session of the Eleventh Legislature, on January 11, 1980, the Division of Administrative Services was directed to encumber the $25,000 to cover expenses incurred by the Joint Committee during the Interim for which billings had not been received by Administrative Services.

4. In early March the House and Senate C&RA Committees were advised that approximately $12,000 remained in the Interim budget and that that amount could not be transferred back to the Office of Coastal Management as it did not specifically state on the RSA that any of the $25,000 not expended by the Committee would be returned. Apparently, the bookkeeping procedure used in this instance was an increase in the appropriation granted to the Joint Committee instead of a reduction in the expenditures.

The Chairmen of the Committee would appreciate a resolution of the problem with the $12,000 returned to the Office of Coastal Management.

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

REIMBURSABLE SERVICES AGREEMENT RS 01-8042

The Div. of Policy Development & Planning, (Agency) hereby request the following Office of Coastal Management services to be performed by the Legislative Affairs Agency (Agency)

PROJECT OR PROGRAM TITLE: Alaska Coastal Management Program implementation

DESCRIPTION AND TERMS OF REIMBURSEMENT: to conduct public hearings and provide staff services for the local government study.

(Attach additional information as required)

DATE COMPLETION REQUIRED: June 30, 1980

ACCOUNT CODE TO BE CHARGED: 01.43.6.019 CONTINUING FUNDS Yes ☐ No ☐

ESTIMATED COST OF PROJECT OR SERVICES REQUESTED

	ESTIMATE	ACTUAL
Planning, engineering, and supervision	$	$
Land acquisition and equipment	$	$
Construction	$	$
Other (itemize) 100 Personnal	$ 5,000.00	$
200 Travel	$ 20,000.00	$
	$	$
	$	$
TOTAL	$ 25,000.00	$

NOTE: Requesting agency must submit an encumbrance document with this agreement.

I certify, based on the above estimate, that sufficient funds are available to pay this obligation and that the appropriation code to be charged has a sufficient balance to cover this obligation.

APPROVED: [signature] REQUESTING AGENCY

DATE: Sept. 13 1979

APPROVED: [signature] SERVICING AGENCY

DATE: 9/14/79

APPROVED: DEPARTMENT OF ADMINISTRATION

02-098

SED FOR (CIRCLE ONE ONLY) — SEE CODE AT BOTTOM OF FORM

(AV) JV AR OTHER

LIMIT DESCRIPTION TO 24 CHARACTERS ADDITIONAL EXPLANATION SHOULD BE ENTERED BELOW TRANSACTION AS NEEDED

AGENCY DOCUMENT NUMBER: AV-31-D-200

DATE PREPARED: 1/14/80

DESCRIPTION	REFERENCE	TRANS. CODE	DEPT.	PROGRAM	SUB-ACCT	ACCOUNT	OBJECT RECEIPT	ACTIVITY	PROJECT LEDGER	AMOUNT
PA		404	31	92	1	6000	901			25,000 00
Affairs	RSOI-8042	304	01	42	6	019	389			25,000 00

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

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 STUD

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

TO: Pat Costello
FROM: Marjorie Gorsuch Marjorie Gorsuch
DATE: 9/26/79
RE: Budget for Local Government Study

Pat,

Rep. Parker and Senator Sturgulewski have concurred in the decision that the House and Senate funds for the Local Government Study should be merged into one account. The combined House and Senate C&RA funding should be expended BEFORE the $25,000 received from the Office of Coastal Zone Management is dispersed. Please continue to give us the monthly status of the Committee account.

Alaska State Legislature

Official Business

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

TO: Sharron Sturrock
FROM: Marjorie Gorsuch
DATE: 1/11/80
RE: Budget

Sharon,

Please encumber the Senate C&RA Committee Budget with the $25,000 RSA received from the Office of Coastal Zone Management and currently shown in the Senate Budget as not being encumbered.

Bradley — SB 138 - Exemps from assessment certain [redacted] to residential property to existing structure which is used as taxpayers personal residence while owned and used by him as principal place of abode, for purposes of levy and collection of property taxes. Amendment to AS 29.53.100 (a) (2) adds assessed value of all taxable property, separately stateing the value of improvements to the property which are exempt from assessment under ..

Assessments

SB 296 - (Stimson's) [redacted] deduction off total assessment given anyone of any age, who own and occupy real property being assessed. State would reimburse municipality.

Kerttula — SB 299 - Reduces maximum levy rate on taxes by municipalities from 3% to 9/10's of 1%.

Collette — SB 370 (HB 648 Identical) - re fire prevention - the assessor may not include the value of a ire protection system in the assessment of the full/true building value. The Commissioner shall make small business loans to acquire, finance, or refinance or equip businesses, including fire protection equipment not exceeding $500,000. Preference for these loans will be given to purchase and install fire protection equipment.

Rules (key. excl) — SB 431 - exempting from assessment and tax levy the value of [redacted] to real property that reduce energy consumption. Section applies to mobile homes. Sec. 3- 29.53.100 (a) (2) Assessed value on all property taxed stating value of improvements to property, which are exempt from assessment.

Sr. Cit. Tax Exemptions

Ferguson — SB 427 - adds the real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the [redacted] resident, if the surviving spouse is 55 years or older and has a gross annual income of less than [redacted]

Bradley — SB 389 - exemption is limited to the assessed value of a parcel or tract of property [redacted] less.

NOTE [redacted] exemption on same as SB 389 - but difference is regardless of size.)

Stimson/Bradley — SB 456 - exemps "personal" property owned by Sr. Cit. from municipal taxes

Ferguson, Collette, Kerttula, Summer — SB 465 - provides partial exemption from assessment for levy and collection of property taxes on residential property if resident owns and occupies as a permanent abode - not exceeding [redacted] value.

changed wording. See if new final note needed

Disabled Veterans

Summer — SB 360 - exempts disabled veteran from levy and collection of real property taxes if property owned and occupied as permanent place of abode and municipality reimbursed by State. Veteran must have been disabled in service - and percentage of the assess value of the real property, is the same as his disability percentage as established by his service rating.

Bradley — SB 154 - exempts from payment of real property taxes disablied veterans, without regard to age, whose disability has been rated 50% or more.

A.M.L.
SR Citizens

7 trial note
Dept rec.

2-26-80 Tues 4th q

Acts Telly ↔

Anc. Tbx. = Television Kenai? Soldotna

1) [illegible] Tues 25 ↔ Tbx.

2) North Star Excl on Ag q - Dennie Keisinger 452-1735 - Tbx

3) Anc Norma Fundy Nurses Sr. Cit Ag, x q
" 276-3700
Also his contact

4) Mabel T. Caverly Cntr Florence Ave. - 274-4527

5) Salvation Army Anc 277-9022 Bill O'connor

6) Olds Pero Acts Sr. P.

6) Hotwick - HESS 4902

7) Kenai - Judy Coyle (wife - hsbnd)

Called Sue re Places + Fills.
teleconference - Axe. - Fox. Kenai — Ketch. - Sitka
cc w/ Jim Kelly

Notice [Ginny — what ex she do?]

Sponsors
Depts. & Fiscal Notes

FB 37° Pub Hearing
cc Bradley
APUC Scheduled
March 11
Tue.

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-E

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3712

March 25, 1980

Mr. Dave Walsh, President
Alaska Municipal League
c/o Pouch 6-650
Anchorage, Alaska 99502

Dear Dave:

The ability for municipalities to have a fair and equitable tax base is absolutely critical to healthy local government. I would like to urge the Alaska Municipal League, possibly in conjunction with the Alaska Native Foundation, RuralCap and others, to undertake, prior to next session, a major review of the kind and amount of taxes that the various classes of municipalities can levy and collect. The current Legislature is addressing House Bill 192, dealing with municipal revenue sharing, and Senate Bill 199, dealing with the school foundation program. These two areas provide major cornerstones for municipal school revenues. A third cornerstone, real and personal property tax, is currently faced with possible erosion and decreased credibility.

The Senate Community and Regional Affairs Committee has some twelve bills pending which impact the municipal property tax by allowing certain classes of exemptions, imposing restrictions, etc. Some, but not all, of these bills allow the municipalities to be reimbursed for the changes in their ability to levy and collect real and personal property taxes. Certainly the bills carry a major fiscal impact. I am enclosing a summary of the bills currently before my Committee. Many other tax bills affecting municipalities are before the Legislature, such as changes in the amount of sales tax which can be levied in certain municipalities and elimination of the business inventory tax.

Relating specificially to real and property taxes, it seems to me that policies must be established regarding possible exemption. If such policies are not developed, we will create a hodgepodge of a program that will serve no one well. For example, should we consider exemptions on a need basis rather than exemptions for special groups of people? Should there be equality for a whole group, rather than special interest exemptions within a group? What kind of things would be better left to grant and aid programs as opposed to exemptions in the property tax approach?

The Department of Community and Regional Affairs recently completed a study of the exemption problem. Their study gives a synopsis of information developed that deals with major exemption problems, and in some cases, suggests several options that might be taken. Their broad policy statement favors few, if any, additional exemptions, and they feel that any exemption program should meet the following criteria: "any exemption granted should be either for public property or for sufficient public good to justify a transfer of burden to the balance of the community." They recognize that the credibility of property tax has been questioned continually and with increasing intensity these past few years, and that many taxpayers feel that they are paying more than their fair share.

The state has recognized certain senior citizens' exemptions, as a matter of public policy. These exemptions support a policy of encouraging age diversity in Alaskan society, show esteem for and gratitude to the pioneers of the state and give a method of helping many to afford to stay in our state, rather than have to leave family, and friends to begin a life in another state, where it might be cheaper to live. The senior citizens who are on a fixed income and cannot absorb property taxes increased by inflation certainly are in need of assistance. However, some bills are now reaching into special groups within the senior citizens; for example, allowing for surviving spouses 55 and older of those senior citizens who qualified for real property exemption to continue to benefit from the exemption. But, what about other senior citizens within that same age group who might have just as much, or a greater need for exemptions? Disabled veterans are another group being suggested for special exemptions, but what about the equity question of all other disabled people in our State? Other questions of equity need to be considered.

Each piece of proposed legislation offers a shift in public policy -- new groups which deserve special treatment, new funding approaches, and so forth. However, sound public policy decisions can be made only within the context of effects or impacts on local governments and the general public. How can we create a new special exemption, for example, unless we are certain of municipalities fiscal needs, alternative revenue sources and the impact of using those other sources?

Again, I would urge the Alaska Municipal League to take a leadership position in review of the municipal property tax, as well as the broader impact of local municipalities being able to raise adequate revenues to fund needed municipal services. I would be most pleased to have your response as to whether you feel the Alaska Municipal League finds merit

in this proposal, and if so, I sincerely hope the league will analyze the kind and amount of taxes that the various classes of municipalities can and should levy and collect.

Sincerely yours,

Arliss Sturgulewski
Senator, District 10-H

Enclosures
cc: Alaska Federation of Natives
RuralCap
Governor's Advisory Committee on Aging
Ms. Dove Kull
Commissioner Lee McAnerney
Mayor George Sullivan
Mr. Phil Younker
Senator John Sackett
Senator Bill Ray
Representative Russ Meekins
Sponsors: SB 138, 154, 296, 299, 360, 370, 427, 431, 456, 465 & 510

Taxes (home improvement exemption)

SENATE BILL NO. 138, by Senators Bradley and Stimson. Relates to establishment of tax exemption for home improvements. Amends AS 29.53 by adding section which provides that the "value of an alteration, repair, renovation, addition to, or improvement of an existing structure which is used by a taxpayer as his personal residence is exempt from assessment for purposes of levy and collection of property taxes under this chapter....." Repeals AS 29.53.025(f) & (g) relating to current exemptions for improvements. Provides Act effective January 1, 1979.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Veterans (disabled) (property tax exemption)

SENATE BILL NO. 154, by Senator Bradley. Amends AS 29.53.020(e) to include disabled veterans of any age to section which exempts persons 65 or over from payment of property tax Applies to resident veterans, honorably separated from service whose service-related disability has been rated at 50% or more. Provides Act effective January 1, 1980.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Residential Property Tax (partial exemption)

SENATE BILL NO. 296, by Senator Stimson. Adds to list of exemptions from municipal property tax in AS 29.53.020(a) "the real property owned and occupied as a permanent place of abode by a resident, not exceeding $25,000 in value." Provides state shall reimburse a borough or city for revenues lost. Repeals AS 29.53.025(a) which allows municipalities to exclude or exempt or partially exempt residential property from taxation by ordinance ratified by voters, the exemption not to exceed $10,000 per residence. Provides Act effective January 1, 1981.

Introduced January 14 and referred to Community and Regional Affairs and then to Finance.

Property Tax (municipal) reduction of)

SENATE BILL NO. 299, by Senator Kerttula. Amends AS 29.53.050(a) (Tax Limitation on Municipalities) to read: "A (NO) municipality may not levy and tax for any purpose in excess of nine-tenths of one (THREE) percent of the assessed valuation of property within the municipality in any one year." Provides Act effective 1/1/81.

Introduced January 14 and referred to Community and Regional Affairs.

Property Tax (disabled Vets exempt)

SENATE BILL NO. 360, by Senators Sumner and Hackney, by request. Exempts from municipal property tax the real property owned and occupied as a permanent place of abode by a disabled veteran. Provides exemption is allowed to veteran "for a percentage of the assessed value of the real property which is the same as his percentage of disability as established by his service disability rating." Provides Act effective January 1, 1981.

Introduced January 24 and referred to Community and Regional Affairs and Finance.

Fire Prevention

SENATE BILL NO. 370, by Senators Colletta and Bradley. Adds to AS 29.53.020 (Municipal Property Tax - Required Exemptions) "Two

percent of the assessed value of a structure is exempt from taxation if the structure contains fire protection systems in operating condition incorporated as a fixture or part of the structure. The exemption is limited to 1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or an amount equal to two percent of the value of the structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981.

Introduced January 31 and referred to Community & Regional Affairs.

Sr. Citizens Tax Exemp. (surviving spouse)

SENATE BILL NO. 427, by Senators Ferguson, Ray, Sackett, Meland, Colletta, Sumner, Kerttula, Hohman, Mulcahy and Bradley. Amends AS 29.53.020(e) relating to municipal property tax exemption for senior citizens by adding: "The real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the surviving spouse of the resident, if the surviiving spouse is 55 years or older and has a gross annual income of less than $20,000." Does not provide for effective date.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Property Tax Exemptions (for energy

SENATE BILL NO. 431, by the Rules Committee by request of the Legislative Council by request. Adds new section to AS 29.53 (Municipal Assessment & Taxation) which exempts from municipal property tax "The value of an alternation or improvement of an existing structure that reduces energy consumption in the structure." Section applies to mobile homes also. Provides Act effective January 1, 1981.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Municipal Property Taxes (exemp. sr. citizens--personal property)

SENATE BILL NO. 456, by Senators Stimson and Bradley. Amends Municipal Assessment and Taxation (AS 29.53), required exemptions (020) by stating that the property of certain residents of the state is exempt and further states that "(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over, and the personal property owned by a resident 65 years of age or over, is exempt from taxation of the assessed value of the (REAL) property." Deletes reference to "real" property throughout and repeals AS 29.53.020(i) which defines "real property" as property including, but not limited to mobile homes whether classified as real or personal property for municipal tax purposes. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community & Regional Affairs, then to Finance.

Property Tax (residential-partial exem. from assess)

SENATE BILL NO. 465, by Senators Ferguson, Colletta, Fahrenkamp and Sumner. Exempts from general taxation (Municipal Assessment and Taxation, required exemptions--AS 29.53.020(a)) "(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding $85.000 in value." Exempts real property owned and occupied by a resident 65 years of age or over from

taxation of the assessed value of property which exceeds $85,000 in value. Repeals AS 29.53.025(a) (Municipal Assessment and Taxation. Optional Exemptions and exclusions. Section (a) states: "Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election."), and amends AS 29.53.020(g) (relating to reimbursement of borough or city for revenue lost by exemption) by deletion of language stating that upon proper application an individual would have been granted an exemption. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community and Regional Affairs, then to Finance.

Municipal Property Tax (exempting business inventory)

SENATE BILL NO. 510, by the Rules Committee by Request (for the Interim Tax Policy Committee). Exempts business inventory from municipal property tax levy and provides for reimbursement to municipalities of tax revenues lost by operation of the exemption. Reimbursement made on the basis of the application of the tax rate of the borough or city to the value of business inventory reported to the state by businesses for the purpose of taxation under the Alaska Net Income Tax Act, and subject to legislative appropriation to the Department of Community and Regional Affairs for the purpose. State Departments may adopt regulations to carry out the provisions of chapter. Repeals sections of Municipal Assessment and Taxation (AS 29.53) relating to assessment of business inventory and reassessment in the case of cessation of business during the tax year. Provides Act takes effect January 1, 1980.

Introduced March 5 and referred to Community and Regional Affairs, then to Finance.

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Community & Regional Affairs

VICE-CHAIRMAN
Commerce

Health & Social Services

Alaska State Legislature

Senate

2257 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3712

April 2, 1980

Jay S. Hammond, Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Jay:

Re: Senior Citizens Tax Exemption from Municipal Property Tax

The legislature has under consideration, SB 328, which would establish an Older Alaskans Commission. In the event this legislation is adopted, I would like to bring to them, through you, a matter for their review and, hopefully, recommendations to the next session of the legislature. I am bringing this matter to the attention of your Advisory Committee on Aging.

The Senate Regional and Community Affairs Committee has had over twelve bills pending which impact the municipal property tax by allowing certain classes of exemptions, imposing restrictions, etc. Some, but not all, of these bills allow the municipalities to be reimbursed for the changes in their ability to levy and collect real and personal property taxes. Since real and property taxes create such a major corner stone of tax revenue source for municipalities, I have asked the Alaska Municipal League to look into the matter of establishing policies regarding possible exemptions. We will create a hodgepodge of a program in the absence of such policy. Dave Walsh, Chairman of the Alaska Municipal League, has indicated to me that the League will undertake such a study. However, I feel it would be important that a commission, dealing particularly with older Alaskans' needs, undertake a study of that part of the real and personal property tax which deals with older Alaskans.

The state has recognized certain senior citizens' exemptions as a matter of public policy. These exemptions support a policy of encouraging age diversity in Alaskan society, they show esteem for and gratitude to the pioneers of the state, and give a method of helping many to afford to stay in the state, rather than to leave family and friends to begin a life in another state where it might be cheaper to live. The senior citizens who are on a fixed income and cannot absorb property taxes increased by inflation certainly are in need of assistance. However, some bills are now reaching into special groups within the senior citizens: for example, allowing for surviving spouses 55 and older of those citizens who qualified for real property exemption to continue to benefit from the exemption. But, what about other senior citizens with the

same age group who might have just as much, or a greater need for exemptions?

Disabled veterans are another group being suggested for special exemptions, but what about the equity question of all other disabled people in our state? Other questions of equity need to be considered. Each piece of proposed legislation that we have considered offers a shift in public policy. New groups which deserve special treatment, new funding approaches, etc. However, sound public policy decisions can be made only within the context of effects or impacts on the general public, and certainly on local governments.

The Department of Community and Regional Affairs recently completed a study of the exemption problem. Their study gives a synopsis of information developed that deals with major exemption problems, and in some cases, suggests several options that might be taken. Their broad policy statement favors few, if any, additional exemptions, and they feel that any exemption program should meet the following criteria: "any exemption granted should be either for public property or for sufficient public good to justify a transfer of burden to the balance of the community." They recognize that the credibility of property tax has been questioned continually and with increasing intensity these past few years, and that many taxpayers feel that they are paying more than their fair share.

Again, I think the matter of senior citizens exemptions merits consideration by the Older Alaskans Commission. If such a commission is established by the legislature I would appreciate it if you would approach them on this subject.

Sincerely,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-H

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
(907) 465-3712

April 3, 1980

Betty Warren, Chairman
Governor's Committee on Aging
Box 116
Kenai, Alaska 99611

Dear Betty:

Enclosed are copies of letters I recently sent to Dave Walsh, President of the Alaska Municipal League, and to Governor Jay Hammond regarding tax exemptions from the municipal property tax. It seems to me that your Committee on Aging would have interest in taking a good look at the issue raised in my letters, particularly as they relate to older Alaskans.

With the pending change before the legislature, regarding the continuation of your Committee on Aging and the possible Older Alaskans Commission, I wanted to be sure to touch all bases. If you feel the issues raised have merit for consideration by your committee, I would be very delighted to have whatever follow-up information you might develop. You might wish to contact Dave Walsh to give input to the work that the Municipal League will be doing over the next year.

Thank you for your consideration of this material, and I do look forward to hearing from you.

Kindest personal regards,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-H

Enclosure

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Palmer McCarter
Director

THRU: Terry Earley
State Assessor

FROM: Steve Van Sant
Assistant State Assessor

DATE: February 28, 1980

FILE NO:

TELEPHONE NO:

SUBJECT: Request from Senator Sturgulewski

As per the request from Senator Sturgulewski, attached you will find the alternate proposed regulations from Donald Gilman regarding the Senior Citizen Property Tax Exemption and the correspondence from the Ombudsman pertaining to the same subject.

Also in question was the total number of senior citizens in the state. After researching this item with various state agencies, we have concluded that a reasonable estimate is 9,500 for 1980.

I believe this complies with the request received by the Department regarding senior citizens.

Attachments

KENAI PENINSULA BOROUGH
BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

December 3, 1979

State of Alaska
Dept. of Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Attn: Lee McAnerney
Commissioner

Re: Proposed Revision of Chapter 35,
PART 3, Title 19 AAC; Senior Citizen
Property Tax Exemption

Dear Ms. McAnerney:

Mayor Donald Gilman testified at the recent hearings of November 29, 1979, held in the Borough, and as a follow up of his presentation and further to his remarks to the hearing officer, I enclose Mayor Gilman's proposed regulations for your consideration in lieu of the regulations proposed and submitted for the hearing. I enclose a copy of these proposed regulations in pertinent part as submitted by your department staff, along with a copy of the Mayor's alternate proposal.

Yours very truly,

Andrew R. Sarisky
Borough Attorney

ARS/tb
Enc.

RECEIVED
DEC 7 1979
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

PART 3.

DIVISION OF LOCAL

GOVERNMENT ASSISTANCE

Chapter

35. Senior Citizen Property Tax Exemption
36. Senior Citizen Property Tax Equivalency Payment
37. Senior Citizen Special Sewer and Water Assessment Deferment
38. Farm and Agricultural Lands
40. Legal Assistance Grant Program

Chapter 35

SENIOR CITIZEN
PROPERTY TAX EXEMPTION

19 AAC 35.120. DEFINITIONS IN THIS CHAPTER

(4) "permanent place of abode" means the real property including a dwelling, and the outbuildings, which are necessary to convenient use of the dwelling, owned and occupied by a resident who is 65 years of age or over.

Real property as used in this definition means the real property as recorded in the office of the district recorder by subdivision plat or by deed of conveyance of undivided real property.

(6) "ownership" means that an applicant is possessed of the ownership interest on January 1 of the year for which

exemption is requested, in the real property, defined as the "permanent place of abode", which interest is recorded in the office of the district recorder, including ownership of a mobile home as attested by a contract, bill of sale, or other proof in a form satisfactory to the local assessor;

(8) "senior citizen" means an applicant who is 65 years of age or older on January 1 of the exemption year.

(Eff. 1/28/73, Reg. 45; am 4/18/73, Reg. 45; am 1/27/75, Reg. 48; am 3/31/76, Reg. 57; am / / , Reg.)

Authority: AS 29.53.020(f)
AS 44.47.160

Ombudsman

Frank Flavin

State of Alaska

ply to:

☒ 840 K Street, Room 203
Anchorage, Alaska 99501
(907) 276-4011

☐ Pouch WO
Juneau, Alaska 99811
(907) 465-4970

☐ P.O. Box 74358
Fairbanks, Alaska 99707
(907) 452-4001

October 26, 1979

Palmer McCarter
Director
Division of Local Government Assistance
Department of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Re: Ombudsman Complaint A79-0788
(Pending)

Dear Mr. McCarter:

On July 24, 1979, this office received a complaint alleging that the State Assessor has arbitrarily limited the senior citizens property tax exemption to one acre in urban areas and five acres in rural areas. According to the complainant, the State Assessor does not have statutory authority under AS 29.53.020 (e) to impose such a limitation on the property tax exemption granted to senior citizens.

Please take notice that this complaint has been fully investigated by the Office of the Ombudsman, and has been found to be Justified.

In our investigation of this complaint, we found that the property tax exemption in question is based on AS 29.53.020 (e) which states:

> The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570. (emphasis added)

When this law was originally enacted in 1972, it contained a provision to limit the exemption to those individuals with an annual income of less than $10,000.00. That provision was repealed in 1973. In 1976 the legislature passed an amendment to limit the exemption to the upper third quartile of assessed values in the state during the previous year. However, this provision was repealed during the 1977 Legislative Session, retroactive to January 1, 1977. Thus the quartile system was never

placed in effect.

The only limitation stated in the present statute on the amount of land to be included in the exemption is the phrase "real property owned and occupied as a permanent place of abode." The last two sentences of subsection (e) are clearly intended to prohibit the fraudulent transfer of real property to senior citizens for the purpose of avoiding taxes. As currently written, AS 29.53.020 (e) contains no mention of, or reference to, any specific acreage limitation on the amount of "real property owned and occupied as a permanent place of abode."

Shortly after this statute was first enacted, the State Assessor began utilizing administrative guidelines to impose an acreage limitation on the amount of land that senior citizens claimed as their permanent place of abode. These guidelines were based on the argument that the amount of land in the exemption must be strictly construed pursuant to 19 AAC 35.120 (4) of the Alaska Administrative Code. Subsection (4) of that Regulation, adopted in 1973, defines "permanent place of abode" as "a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit." Since the Regulation does not contain mention of any specific acreage limitation, administrative guidelines were used to limit the exemption to one acre in urban areas and five acres in rural areas.

Over the years, at least three municipalities attempted to give full exemptions to senior citizens living on parcels larger than the one-acre and five-acre limitations. These municipalities took the position that the State did not have the statutory authority to limit the exemption to a specific number of acres. The State Assessor dissuaded the Municipality of Anchorage and the Matanuska-Susitna Borough from exempting large parcels by threatening to reject their reimbursement requests. In 1977, however, the State reimbursed the Kenai Borough on the basis of the full amount of the property claimed by senior citizens rather than the one-acre and five-acre formula. Due to the controversy surrounding the use of administrative guidelines to justify an acreage limit, the State Assessor drafted an amendment to 19 AAC 35.120 (4) which would have further defined "permanent place of abode" as "limited to not more than one acre if urban nor more than five acres if rural."

This proposed change in the Regulations met with strong opposition and in early 1978 the Legislature's Administrative Regulation Review Committee held hearings on the proposed amendment. After an exhaustive search, the Legislative Counsel could find no evidence to support the contention that the Legislature had ever intended a specific acreage limitation on the senior citizens exemption. In a written opinion, the Legislative Counsel concluded:

> there appears to be no basis in law by which the state assessor may direct or authorize local assessors to give approval to less than the entire parcel shown by an otherwise qualified applicant to be his or her permanent place of abode.

After the March 1978 hearings, members of the Administrative Regulation Review Committee were divided on the issue of whether there should be an acreage limitation. The only point agreed upon by the Committee was that if such an acreage limitation is to be instituted it must be written into the statute, not adopted by regulation or administrative guideline. Therefore, the Committee recommended that the matter be referred to the Legislature for consideration as an amendment to the statute. A bill to amend the statute was introduced in the 1978 session, but no final action was taken on it. So the State Assessor continued to administer the one-acre and five-acre limitations through the use of administrative guidelines. This resulted in the filing of a complaint with the Ombudsman and initiation of the present investigation.

In responding to our original inquiry regarding this complaint, the State Assessor asserted that the one acre and five acre limitation was mandated by the municipalities. Several municipal tax assessors assert, on the other hand, that the State Assessor forced this formula on the municipalities. The Department of Community and Regional Affairs requested an opinion from the Attorney General's Office on the agency's authority to impose a specific acreage limitation.

In an opinion dated August 17, 1979, Assistant Attorney General Rodger W. Pegues wrote that the State Assessor's one-acre and five-acre limitation "comports" with the purpose expressed in the phrase "owned and occupied" in the statute. Mr. Pegues justified his assertion not on the basis of specific reference to evidence of legislative intent but rather on the supposition that "we do not believe that a windfall for holders of vast tracts of land was intended or that the exemption was designed to encourage speculation in realty and the withdrawl of large tracts from the market." Mr. Pegues concluded that if the State Assessor's language of limitation were incorporated into the agency's regulations "as an interpretation of AS 29.53.020 (e), it would survive judicial scrutiny. However, until it is adopted as a regulation under the Administrative Procedure Act, it can have no legal force or effect on a person claiming the exemption." The Attorney General's opinion also suggested that if the Assessor has consistently interpreted AS 29.53.020 (e) as incorporating the one-acre and five-acre limitation, "the interpretive regulation can be given retroactive effect when it is adopted."

On the basis of the above-cited opinion, the Department of Community and Regional Affairs recently announced that it will hold public hearings for the purpose of amending the definition of "permanent place of abode" (19 AAC 35.120 (4)) to include the one and five acre limitations. That is precisely what the agency attempted unsuccessfully to do in early 1978. The agency's present course of action runs contrary to the recommendation made to the agency by the Legislature's Administrative Regulation Review Committee in 1978.

FINDING: We find the complaint to be Justified. We find the phrase "real property owned and occupied as a permanent place of abode" in AS 29.53.020 (e) to be clear on its face. We found no evidence of legislative intent and no persuasive interpretive rules to indicate that the legislature meant the phrase to authorize a specific acreage limitation.

The present statute should be applied as written: without an acreage limitation.

We also find that the definition of "permanent place of abode" in the Regulations (19 AAC 35.120 (4)) is in conflict with the language of the statute since "necessary to convenient use" implies a limitation of the exemption. In a similar manner, the State Assessor's "administrative guidelines," which have been used in the past to justify the one-acre and five-acre limitation, are also in conflict with the language and intent of the statute.

We find that the agency, by administratively imposing a limitation on a general tax exemption granted to a specific group of citizens, has infringed upon the functions of the Legislature. Tax relief is a question for legislators to decide, not a policy matter that should be decided by administrative officials. The State Tax Assessor and the Department of Community and Regional Affairs have assumed a taxing role by implementing specific acreage limitations on the Senior Citizens Property Tax Exemption. For this reason we find the agency's actions to be arbitrary and an abuse of administrative powers.

RECOMMENDATIONS:

1. We recommend that the Department of Community and Regional Affairs desist from enforcing the one-acre and five-acre "administrative guidelines" which are counter to the language of the statute.

2. We recommend that the agency not adopt the proposed change in 19 AAC 35.120 (4) which would further define "permanent place of abode" as "limited to not more than one acre if urban, nor more than five acres if rural."

3. We recommend that the agency amend 19 AAC 35.120 (4) to eliminate the phrase "which are necessary to convenient use of the dwelling unit" from the definition of "Permanent place of abode."

4. We recommend that if the agency believes there should be an acreage limitation on the Senior Citizens Property Tax Exemption, then the agency should address the issue by asking the Governor to introduce a bill to amend AS 29.53.020 (e) in the forthcoming session.

Since this report of our findings contains formal recommendations made by this office, may we have a response from you within thirty days, pursuant to AS 24.55.190 (b) and AS 24.55.200. Should you wish to discuss any part of this report, please feel free to call me at 276-4011.

Sincerely,

Frank Flavin
Ombudsman

FF/RB/jm

cc: Terry Earley, State Assessor
Don Gilman, Mayor, Kenai Peninsula Borough
Pat McKee, Assessor, Municipality of Anchorage

November 23, 1979

CERTIFIED/RETURN RECEIPT REQUESTED

Mr. Frank Flavin
Ombudsman
840 K Street, Room 203
Anchorage, Alaska 99501

Dear Mr. Flavin:

RE.: OMBUDSMAN COMPLAINT A79-0788 (Pending)

In response to your report dated October 26, 1979, concerning the Senior Citizen Homeowners Tax Exemption program, there are several questionable statements that seem to indicate that the material has not been thoroughly researched.

We have consulted with members of the Attorney General's staff and they do not agree with your recommendations.

In your report you listed four specific recommendations; our response is as follows:

1. You recommend that the Department of Community & Regional Affairs desist from enforcing the one-acre and five-acre "administrative guidelines". The program was budgeted based on those guidlines; a substantial number of municipalities have already been reimbursed under those guidlines for this year; and all current applicants were instructed to file under these guidlines.

Therefore, any changes initiated would have to be implemented for program year 1981 (assessments as of January 1, 1980).

2. You recommend that the agency not adopt the proposed regulations. We intend to go ahead with the public hearings but not file any new regulations until the legislature has had a chance to review the situation in the next session.

3. You recommend the agency amend existing regulations to eliminate the phrase "which are necessary to the convenient use of the dwelling unit".

That regulation has been in effect since January 1973 and was reviewed by the Administrative Regulation Review Committee of the Legislature in 1977 and was not annulled. The Department feels the action taken by the Administrative Regulation Review Committee in 1977 indicated that this regulation does comply with legislative intent.

4. You recommend that if the agency believes there should be an acreage limitation on the Senior Citizen Property Tax Program, that it should recommend the Governor introduce legislation to that effect.

At the request of Representative William Parker, Chairman of the House Community and Regional Affairs Committee, the Department will present to that committee a study that addresses exemptions in general and includes proposals covering all of the Senior Citizen Exemption Programs.

I trust this response meets with your approval. If I can be of further assistance please contact me.

Sincerely,

Lee McInerney, Commissioner

by: Palmer McCarter
Director

PMc:TE:jh

cc: Rod Pegues, Assistant Attorney General
Jessie Dodson, Special Assistant to the Governor

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B
JUNEAU, ALASKA 99811

December 11, 1979

Mr. Frank Flavin
Ombudsman
840 K Street, Room 203
Anchorage, Alaska 99501

Dear Mr. Flavin:

RE: OMBUDSMAN COMPLAINT #A79-0788

The staff of the Division of Local Government Assistance has always attempted to cooperate with your investigators. In the investigation of the Senior Citizen Homeowners Exemption program, we attempted to do the same. To the best of my knowledge the only contact between this Division and your office was a 5 minute phone call to the State Assessor, Terry Earley. Neither myself, as Division Director, nor LaDonna Brown, the program manager, was contacted. We are disappointed in the fact that the investigation was not more complete.

The statement in the news release that, "The office of the Ombudsman did not receive a written reply from the Department of Community & Regional Affairs within the requested thirty day time period.", while true, is misleading. On November 23, 1979, I spoke to Rolfe Buzzell of your office and promised him the response would be in the mail (by certified mail return receipt requested) that day. Our response was mailed November 23, 1979 three days prior to the deadline you imposed. We are disappointed at your failure to at least indicate that the Department's response had been prepared and was on the way. If the need to release your findings was so great that it could not wait an extra day on slow mail, we would have been willing to telex our response to you or provide a copy to your Juneau office.

The entire press release, including the timing of its release, appears to be more of an attempt at sensationalism than objective reporting of the facts.

In the Department's response to your October 26 letter I indicated that there are several questionable statements. I will now attempt to outline some of those statements along with some others that were included in your press release of November 26, 1979.

In your letter of October 26 you state: "In 1977, however, the State reimbursed the Kenai Borough on the basis of the full amount of the property claimed by Senior Citizens rather than the one-acre and five-acre formula." The State did "over"-reimburse the Kenai Peninsula Borough slightly in 1977, based on its billings to us for re-imbursements. However, it was not the full amount and we did, in fact, reduce the subsequent year's reimbursement to compensate for the 1977 overpayment.

In the next paragraph your letter states: "This proposed change in the regulations met with strong opposition and in early 1978 the Legislature's Administrative Regulation Review Committee held hearings on the proposed amendment." Although some draft work was done by the State Assessor's office on a proposed amendment to further limit the amount of exempt acreage to 1 and 5 acres, what the Legislature's Administrative Regulation Review Committee actually examined was the existing regulation 19 AAC 35.120(4) "'Permanent place of abode' means a dwelling or a dwelling unit in a multiple dwelling, including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit." After lengthy discussion, the Committee did not annul this regulation which indicates the Committee members were not as opposed to limiting the acreage of the exemption as your letter and press release would indicate.

The purpose of the new amendment of 1 and 5 acres is an attempt, on our part, to further define the existing language of "including lots . . . or an appropriate portion thereof." At the end of that paragraph you refer to an opinion written by Legislative council and at least infer that opinion was a result of the Legislature's Administrative Regulation Review Committee hearing when, in fact, that opinion was written prior to the hearing. That opinion, in no way, is reflective of the results of that hearing.

In your news release of November 27 you refer to an "investigation of the State Tax Assessor's policy." While that title does lend itself to sensationalism, there is no such position or person. The position is technically entitled "State Assessor" which has nothing to do with state taxing policy.

In the second paragraph, the news release states "This action has adversly impacted hundreds of senior citizens in Alaska." We estimate there are less than 100 senior citizens affected by the 1 and 5 acre limit. Again our concern about your over dramatizing or sensationalizing the situation.

The news release also states "in the last month the State Assessor's office has distributed the 1980 applications for Senior Citizens Property Tax Exemption to the boroughs and the Municipality of Anchorage". In the context of the news release this sounds like the Department is going ahead with no regard for your report or the public hearings. Proper investigation and objective reporting would have indicated that those forms were printed in June and distributed in September and simply contained a statement that reflected administrative practice that the Division consistently used in reimbursing municipalities under this program.

I would again like to express my disappointment at the lack of objectivity and thoroughness in your office's investigation and report on the proposed regulations for the senior citizens homeowners exemption program.

I look forward to better communication between our offices in the future.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

cc: Jessie Dodson, Special Assistant
Office of the Governor

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

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 9[illegible]

May 1, 1979

Lee McAnarney
Commissioner
Community & Regional Affairs
Pouch D
Juneau, Alaska 99811

Dear Lee,

I was pleased to learn that the Department of Community and Regional Affairs, through the Office of the State Assessor, is preparing to do a study of a more equitable approach to providing residents of Alaska with property tax relief, particularly those in need of relief as a result of limited incomes.

I concur that this study would indeed be a worthwhile endeavor and that the current "piece-meal" approach of providing property tax relief to certain groups of taxpayers needs revision.

As this study will presumably result in legislation which would be reviewed by the Community and Regional Affairs Committee, I would appreciate being informed of its progress. Please send any pertinent information to the following addresses.

Rep. Bill Parker
200 Denali
Anchorage, Ak. 99501

Marjorie Gorsuch
411 Coleman
Juneau, Ak. 99801

Yours truly,

Bill Parker
Chairman

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

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 431
Title Exempts value of improvements which reduce energy consumption
Requested by Rules Committee Date

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	Y 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

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

No fiscal impact for administration of th s bill.

If passed, this bill would have an impact on the local municipality.

IV. DATE _____ PREPARED BY Steve Van Sant
AGENCY Community & Regional Affairs
PHONE 465-4787

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

33-001 (Rev. 10/78)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 296

Title Relating to Partial Exemption of Property Tax

Requested by Senator Stimson Date 1-21-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected State Assessors Office, LGAD 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		100.0	108.0	116.6	125.9	136.0
200	TRAVEL		0	0	0	0	0
300	CONTRACTUAL		25.0	27.0	29.2	31.5	34.0
400	COMMODITIES		0	0	0	0	0
500	EQUIPMENT		7.5	0	0	0	0
600	LAND & STRUCTURES		0	0	0	0	0
700	GRANTS, CLAIMS, ETC.		34,687.4	36,421.8	38,242.9	40,155.0	42,162.8
	TOTAL	0	34,819.9	36,556.8	38,388.7	40,312.4	42,332.8

FUNDING (Thousands of Dollars)

GENERAL FUND	0	34,819.9	36,556.8	38,388.7	40,312.4	42,332.8
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)

S B 296 exempts $25,000 in value from residential property. Revenue lost to the municipality by implementation of this bill shall be reimbursed by the State. This will necessitate an audit procedure of applications for each municipality. The number of applications to be audited is estimated to be approximately 125,000 in 1981 and an expected growth rate of new applications at 5% each year following.

It is anticipated that computerization of this program will help deter some personal services expenditures, however, it will be necessary to employ 5 clerical positions for the auditing procedures.

The estimated total revenue lost by the municipalities is $37,355,700 for 1981. This was computed as follows:

IV. DATE 1-21-80 PREPARED BY Steve Van Sant

AGENCY Community & Regional Affairs

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 299

Title Relating to Maximum Mill Levy for Property Taxes

Requested by Senator Kerttula Date 1-21-80

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

BRU, Program, or Subprogram(s) Affected N/A

(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	0					

FUNDING (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0					
PART TIME						
TEMPORARY						

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

This bill limits the mill levy for all municipalities to 9 mills.

The fiscal impact of this bill would result in a loss of revenue for the local municipalities of an estimated 44.3 million dollars from local property taxes. (see attachment for breakdown)

The State General Fund would realize an estimated 18 million dollar increase due to the limiting of local mill levy on State Assessed Oil & Gas Properties. The major impact of this would occur in the North Slope Borough.

IV. DATE 1-21-80 PREPARED BY Steve VanSant

AGENCY Community & Regional Affairs

PHONE 465-4737

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Municipality	*Assessed Value(Real & Personal)	Average Mill Rate	Revenue	Revenue @ 9 Mills	Revenue Loss
Anchorage	5,555,057,231	13.79	76,604,239.2	49,995,515	26,608,724
Bristol Bay	40,352,496	10.50	423,701	363,172	60,529
Fairbanks	1,158,310,325	15.68	18,162,314	10,424,797	7,737,517
Haines	41,583,539	8.20			None
Juneau	528,050,825	12.38	6,537,269	4,752,457	1,784,812
Kenai	1,398,092,424	11.9	16,637,300	12,582,832	4,054,468
Ketchikan	306,473,045	16.00	4,903,569	2,758,257	2,145,312
Kodiak	279,254,343	12.18	3,401,324	2,513,294	888,030
Matanuska/Susitna	813,520,720	9.4	7,647,095	7,321,686	325,409
North Slope	** 214,020,190	7.66	No loss in Revenue		
Sitka	273,382,270	3.50	No loss in Revenue		
TOTAL					43,604,801

*Does not include state oil and gas assessment.

**North Slope Borough would lose approximately 18 million dollars revenue from assessed value of State oil and gas, but none from locally assessed property.

Municipality	Assessed Value(real & Personal)	Actual Average Mill Rate	Present Revenue	Revenue @ 9 Mills	Revenue Lost
Cordova	33,722,709	15	505,840	303,504	202,336
Craig	5,419,031	12	65.028	48,771	16,257
Dillingham	32,439,747	10	324,397	291,957	32,440
King Cove	4,732,096	12	56,785	42,589	14,196
Kenana	5,595,199	10	55,952	50,357	5,595
Kome	39,141,586	15	587,124	352,274	234,850
Petersburg	56,018,199	14	784,255	504,164	280,091
Valaska	32,493,060	14	454,903	292,437	162,466
Wrangell (2 III) (2 IV)	42,391,156	11.92) 14.9) 13.41	568,465	381,520	186,945
Yakutat	6,142,959	13.7	84,158	55,287	28,871
TOTAL					1,164,047
					43,604,801
					44,768,848

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 427
Title Relating to the Senior Citizens Tax Exemption
Requested by Senator Ferguson, et al Date

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected Senior Citizen Tax Relief

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL			2.0			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	0	120.0	136.0	150.0	168.0
TOTAL			122.0	136.0	150.0	168.0

FUNDING (Thousands of Dollars)

GENERAL FUND			122.0	136.0	150.0	168.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
The major impact to administration will fall in the first year when regulations, forms and procedure must be adjusted. Printing and advertising = $2.0.

According to the latest data available there were 3,108 households eligible for senior citizen property tax exemption in FY 79. Of these households, 1,928 included a spouse. No data is available on the age or income level of the spouses.

Assuming each eligible surviving spouse received an average exemption in FY 80 (estimated to be about $616 per exemption in FY 80), $60,000 would be required if 5% of the total spouses become eligible. $120,000 if 10% become eligible, $240,000 if 20% become eligible, etc.

For purposes of this fiscal note we have used the 10% figure.

The regular program grant requirement is expected to increase at the rate of 12% per year which produces the figures above.

IV. DATE 2-15-80 PREPARED BY LaDonna Brown
AGENCY Local Government Assistance Division
PHONE 465-4739

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

33-001 (Rev. 10/78)

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 389
Title Relating to Senior Citizen Tax Examption
Requested by Bradley Date

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected Senior Citizen Tax Relief

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		67.0	75.0	84.0	94.0	105.0
TOTAL		67.0	75.0	84.0	94.0	105.0

FUNDING (Thousands of Dollars)

GENERAL FUND		67.0	75.0	84.0	94.0	105.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

No fiscal impact for administration of this program. Grant increase is based on information received from local municipalities. Yearly increase is estimated at 12% per year. This assumption is based on historic information on valuation increases.

IV. DATE PREPARED BY Steve Van Sant (SVS)
AGENCY Local Government Assistance Division
PHONE 465-4787

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

33-001 (Rev. 10/78)

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 456
Title Exempting Senior Citizens from Personal Property Taxation
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
BRU, Program, or Subprogram(s) Affected Senior Citizens Tax Relief
(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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES			246,600	266,300	287,600	310,600
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			246,600	266,300	287,600	310,600
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that the statewide ratio of personal property to real property, 14%, would be a reliable estimate for that of Senior Citizens. Therefore, a valuation of $1,761,539 (1979 value) at 14% results in a impact of $246,600. It is also estimated that this amount will increase at 8% per year.

IV. DATE _____ PREPARED BY Steve Van Sant
AGENCY Community & Regional Affairs
PHONE 465-4787

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

33-001 (Rev. 12/78)

The estimated revenue lost by the municipalities for 1981 is $55,240,200. This was computed as follows:

RECAP FOR FISCAL ANALYSIS SB 465

Municipality	Estimated Value of Residences	Revenues Generated by Actual Millage	Precentage of Residences over 85,000	Reimbursabl by State
Anchorage	3,348,683,403	44,883,400	25%	33,662,500
Bristol Bay	4,586,350	42,800	-0-	42,800
Fairbanks	877,674,140	10,668,300	15%	9,068,000
Haines	16,278,311	83,100	-0-	83,100
Juneau	274,135,000	3,305.200	40%	1,983,100
Kenai	709,052,919	5,213,210	30%	3,649,200
Ketchikan	125,170,661	1,819,000	10%	1,637,100
Kodiak	91,088,026	1,017,300	15%	864,700
Matanuska/Susitna	209,330,395	1,822,800	10%	1,640,500
North Slope	45,741,948	350,400	-0-	350,400
Sitka	166,964,850	584,400	5%	555,200
				53,536,600
TOTAL CITIES	169,193,454	1,892,900	10%	1,703,600

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 465
Title Relating to Partial Exemption of Property Tax
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected State Assessors Office, LGAD Grants

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES			100.0	108.0	116.6	125.9
200	TRAVEL			0	0	0	0
300	CONTRACTUAL			25.0	27.0	29.0	31.5
400	COMMODITIES			0	0	0	0
500	EQUIPMENT			7.5	0	0	0
600	LAND & STRUCTURES			0	0	0	0
700	GRANTS, CLAIMS, ETC.			55,240.2	58,002.2	60,902.3	63,947.4
	TOTAL			55,372.7	58,137.2	61,048.1	64,104.8

FUNDING (Thousands of Dollars)

GENERAL FUND			55,372.7	58,137.2	61,048.1	64,104.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	0	0	5	0	0	0
PART TIME						
TEMPORARY						

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

SB 465 exempts up to $85,000 in value from residential property in regards to property tax. Revenue lost in the municipality by implementation of this bill shall be reimbursed by the State. This will necessitate an audit procedure of applications for each municipality. The total number of applications to be audited is estimated to be 160,000 in 1981 and an expected growth rate of new applications at 5% each year following.

Computerization of this program will help deter some personal services expenditures, however, it will be necessary to employ 5 clerical positions for the auditing procedures. Computer costs are estimated at $25,000 per year.

Continued

IV. DATE _____ PREPARED BY Steve Van Sant
AGENCY Local Government Assistance Division
PHONE 465-4787

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

33-001 (Rev. 10/78)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S. B. 360
Title Exemption of a Disabled Veteran from Levy and Collection of Real Property Taxe
Requested by _____ Date 1/25/80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services (grants) Community Development (Administra
Budget Request Unit(s) Affected Local Government Assistance/State Assessor (administrat
Senior Citizen Property Tax Exemption (grant)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		0	1.0	1.0	1.0	1.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			423.7	483.0	550.6	627.7
TOTAL		0	424.7	484.0	551.6	628.7

FUNDING (Thousands of Dollars)

GENERAL FUND		0	424.7	484.0	551.6	628.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assume grant requirement will increase 14% per year due to increased property values, mill rates and number of applicants. See attached sheet for tabulation of calculations used to arrive at the estimated fiscal impact above.

IV. DATE 1-29-80 PREPARED BY LaDonna Brown
AGENCY Local Government Assistance
PHONE 465-4739

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

33-001 (Rev. 10/78)

ment
360 Fiscal Note
/80

Disability Rating	1/Number of Veterans	2/@ 75% Homeowners	FY 80 3/ Average Senior Citizen Exemption	@ Disability Rate	4/Total Exemption Amount
10%	1,113	835	$616	61.60	51,436
20%	580	435	"	123.20	53,592
30%	439	329	"	184.80	60,799
40%	235	176	"	246.40	43,366
50%	180	135	"	308.00	41,580
60%	154	116	"	369.60	42,874
70%	64	48	"	431.20	20,698
80%	41	31	"	492.80	15,277
90%	11	8	"	554.40	4,435
100%	81	61		616.00	37,576
	2,898	2,174			$371,633

1/ Number of veterans in each disability rating was received by telephone from Mr. Waldron of the Veteran's Administration.

2/ Assume that 25% of the veteran's rent their home or have some arrangement other than homeownership.

3/ Assume that veteran's will average similar tax bills to those in the senior citizen property tax exemption program.

4/ A number of veterans may already be receiving property tax exemption because they are age 65 or over, this factor cannot be readily calculated so due to this and other factors the fiscal impact may be somewhat lower than that estimated.

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 154
Title Provides For Exemption From Property Tax For Disabled Veterans
Requested by Senator Bradley Date

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners & Renters Equivalency - State Assessor

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		206.2				
TOTAL		207.2				

FUNDING (Thousands of Dollars)

GENERAL FUND		207.2				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

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

According to the Federal Veterans Administration, there are 468 veterans with over 50% disability. Assuming that 25% of those are 117 renters and another 20 are 65 and already exempt, the following computations are derived:

331 (Homeowners) times $558 (average senior citizen saving) =	184,698
117 (Renters) times $184 (average senior citizen renter reimbursement) =	21,528
448 TOTAL	$206,226

IV. DATE 3/6/79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

Original Legislative Finance
cc: Budget and Management
Prime Sponsor(s) or Legislative Service

33.001 (Rev. 10/78) Revised 3-6-79

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No Senate Bill 154
Title Provides for exemption from property tax for disabled Veterans
Requested by: Senator Bradley Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizens Homeowner and Renter Equivalancy - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL		93.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		93.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

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

The only information available from the Federal Veterans Administration was that there are approximately 200 veterans disabled 40% or more within the State. We have estimated based on total 200 being over 50% and that 3/4 of those are homeowners and 1/4 are renters.

150 homeowners @ $553 (average senior citizen homeowner savings) = $83,700

50 renters @ $184 (average senior citizen renters reimbursement) = 9,200

Total $92,900

Additional cost is for forms printing, processing and refunds processing.

IV. DATE 2-28-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

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

33-001 (Rev. 10/78)

Introduced: 1/14/80
Referred: Community and Regional Affairs and Finance

IN THE SENATE BY STIMSON

SENATE BILL NO. 296

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date."

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

* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding $25,000 in value.

* Sec. 2. AS 29.53.020(e) is amended to read:

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property, <u>which exceeds the exemption granted by (a)(7) of this section</u>. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

* Sec. 3. AS 29.53.020(g) is amended to read:

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of

(a)(7) and (e) of this section. However, reimbursement will be made to a borough or city for revenue lost to it only to the extent that the loss exceeds an exemption which was granted by the borough or city [, OR WHICH UPON PROPER APPLICATION BY AN INDIVIDUAL WOULD HAVE BEEN GRANTED BY THE BOROUGH OR CITY, UNDER AS 29.53.020(a)].

* Sec. 4. AS 29.53.025(a) is repealed.

* Sec. 5. This Act takes effect January 1, 1981.

Flack from Quotes Wants passed

Oppose

Reduce 30 to 9 miles

$45 mi loss in local prop. taxes to munic. w/no reimburs

All munic be reduced

No Sp. Inc affected!

Introduced: 1/14/80
Referred: Community and Regional Affairs

IN THE SENATE

BY KERTTULA

SENATE BILL NO. 299

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date."

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

* Section 1. AS 29.53.050(a) is amended to read:

(a) A [NO] municipality may not levy and tax for any purpose in excess of nine-tenths of one [THREE] per cent of the assessed valuation of property within the municipality in any one year.

* Sec. 2. This Act takes effect January 1, 1981.

Introduced: 2/12/80
Referred: Community & Regional Affairs and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL BY REQUEST

IN THE SENATE

SENATE BILL NO. 431

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date."

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

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

Sec. 29.53.033. EXEMPTION FROM ASSESSMENT OF CERTAIN IMPROVEMENTS TO RESIDENTIAL PROPERTY. The value of an alteration or improvement of an existing structure that reduces energy consumption in the structure is exempt from assessment for purposes of levy and collection of property taxes under this chapter. This section applies to mobile homes, whether classified as real or personal property for municipal tax purposes.

* Sec. 2. AS 29.53.060(a) is amended to read:

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section and AS 29.53.030 - 29.53.035 [AS 29.53.030, 29.53.035] and AS 29.53.160. The full and true value is the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

* Sec. 3. AS 29.53.100(a)(2) is amended to read:

(2) the assessed value of all taxable property, separately

stating the value of improvements to the property which are exempt from assessment under AS 29.53.033;

* Sec. 4. This Act takes effect January 1, 1981.

Introduced: 2/12/80
Referred: Community & Regional Affairs and Finance

BY FERGUSON, RAY SACKETT, MELAND, COLLETTA, SUMNER, KERTTULA, HOHMAN, MULCAHY AND BRADLEY

IN THE SENATE

SENATE BILL NO. 427

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the senior citizens tax exemption."

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

* Section 1. AS 29.53.020(e) is amended to read:

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. <u>The real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the surviving spouse of the resident, if the surviving spouse is 55 years or older and has a gross annual income of less than $20,000.</u> No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

Length of time necessary for legislation to help program

widow w/ 4 children more $ to

51 does exam # 855 ? ? ? money for

Introduced: 2/5/80
Referred: Community & Regional Affairs and Finance

BY BRADLEY, KERTTULA, HACKNEY, COLLETTA, DANKWORTH, RODEY, FAHRENKAMP AND BENNETT

IN THE SENATE

SENATE BILL NO. 389

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the senior citizen property tax exemption; and providing for an effective date."

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

* Section 1. AS 29.53.020(e) is amended to read:

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. An exemption under this subsection is limited to the assessed value of a parcel or tract of property of 160 acres or less. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

* Sec. 2. AS 29.53.020(i) is repealed and re-enacted to read:

(i) In (e) - (i) of this section

(1) "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes;

(2) "resident" means a person who has claimed Alaska as his place of residence for at least 25 consecutive years preceding applica-

tion for the exemption provided in (e) and (f) of this section; a break in residency of more than 30 days in a calendar year operates to defeat the applicant's claim of residency for that year.

* Sec. 3. This Act takes effect January 1, 1981.

Introduced: 2/18/80
Referred: Community & Regional Affairs and Finance

IN THE SENATE BY STIMSON AND BRADLEY

SENATE BILL NO. 456

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date."

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

* Section 1. AS 29.53.020(a)(6) is amended to read:

(6) the [REAL] property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section.

* Sec. 2. AS 29.53.020(e) is amended to read:

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over, and the personal property owned by a resident 65 years of age or over, is exempt from taxation of the assessed value of the [REAL] property. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No [REAL] property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

* Sec. 3. AS 29.53.020(g) is amended to read:

(g) The state shall reimburse a borough or city, as appropriate,

for the [REAL] property tax revenues lost to it by the operation of (e) of this section. However, reimbursement will be made to a borough or city for revenue lost to it only to the extent that the loss exceeds an exemption which was granted by the borough or city, or which upon proper application by an individual would have been granted by the borough or city, under AS 29.53.025(a) and (b)(2)(A).

* Sec. 4. AS 29.53.020(i) is repealed.

* Sec. 5. This Act takes effect January 1, 1981.

$60 million st funds going out

Strictly Residential.

Introduced: 2/18/80
Referred: Community & Regional Affairs and Finance

BY FERGUSON, COLLETTA, FAHRENKAMP AND SUMNER

IN THE SENATE

SENATE BILL NO. 465

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date."

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

* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding $85,000 in value.

* Sec. 2. AS 29.53.020(e) is amended to read:

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property which exceeds the exemption granted by (a)(7) of this section. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

* Sec. 3. AS 29.53.020(g) is amended to read:

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of

(e) of this section. However, reimbursement will be made to a borough or city for revenue lost to it only to the extent that the loss exceeds an exemption which was granted by the borough or city [, OR WHICH UPON PROPER APPLICATION BY AN INDIVIDUAL WOULD HAVE BEEN GRANTED BY THE BOROUGH OR CITY, UNDER AS 29.53.025(a)].

* Sec. 4. AS 29.53.025(a) is repealed.

* Sec. 5. This Act takes effect January 1, 1981.

Introduced: 1/24/80
Referred: Community and
Regional Affairs and Finance

IN THE SENATE

BY SUMNER AND HACKNEY
BY REQUEST

SENATE BILL NO. 360

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date."

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

* Section 1. AS 29.53.020(e) is repealed and re-enacted to read:

(e) The real property owned and occupied as a permanent place of abode of a person described in this subsection is exempt from taxation of the assessed value of the real property as indicated in this subsection. Only one exemption may be granted for the same property, and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties concerned, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570. An exemption under this subsection shall be allowed

(1) to a resident of the state 65 years of age or older for the entire assessed value of the real property; or

(2) to a disabled veteran for a percentage of the assessed value of the real property which is the same as his percentage of disability as established by his service disability rating.

* Sec. 2. AS 29.53.020(f) is amended to read:

(f) No exemption may be granted except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors. The claimant must file the application no later than January 15 of the assessment year for which the exemption is sought, but during the same year the governing body of the municipality for good cause shown may waive the claimant's failure to make timely application for the exemption for that year and authorize the assessor to accept the application as if timely filed. The claimant must file a separate application for each assessment year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, he shall allow an exemption in accordance with the provisions of this section. If a claimant whose failure to file by January 15 of the assessment year has been waived as provided in this subsection and the application for exemption is approved, the amount of tax which the claimant may have already paid for the assessment year with respect to the property exempted shall be refunded to him. The assessor may at any time require proof in the form he considers necessary of the right to and amount of an exemption claimed under this section, and may require a disabled veteran claiming an exemption under (e) of this section to provide evidence of his disability rating.

* Sec. 3. AS 29.53.020(i) is repealed and re-enacted to read:

(i) In (e) - (i) of this section,

(1) "disabled veteran" means a person honorably separated from the military service of the United States who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated by the branch of service in which he served or by the Veterans Administration;

(2) "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes.

* Sec. 4. This Act takes effect January 1, 1981.

SB

2

COMMITTEE REPORT

SENATE

1/15/79

FURTHER: Finance

Date: ~~3/8/79~~ 3-10-79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAI has had SB 2 ____
comprehensive recycling and reduction of litter

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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

BOB Implementing Do Pass

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tom Kelly - Do Not Pass w/ amendments

Hit Kroft - No Rec

Jerry Stimac - No Rec

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1979

Tape Number 1

SENATE C/RA
Committee

Side Number 1

Dates 2/22/79 to

Bill Numbers Discussed

HJR 10	HCR 7,am	SB 2						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2/22/79 1:33	0002		Chairman Sturgulewski called Hearing to order.
	0019	HJR 10	(Senators Mulcahy & Stimson Absent)
	0019	HCR 7,am.	COMMITTEE "DO PASS"
	26	SB 2	Chairman Sturgulewski
	32 37		Sen. Kelly, Motion for CS Chairman Sturgulewski
	40 41		Recess/CS handouts given audience Chairman - call back to order.
	79 157		Senator Colletta, Sponsor Sen. Sturgulewski
	160 166		Commissioner McAnerney, Dept. C/RA (from audience) Eric Lee, Director, Div. Community & Rural Dev.)
	182 186		Chairman Sturgulewski Eric Lee
	270 278		Sen. Rodey Mr. Lee
	294 303		Sen. Rodey Chairman Sturgulewski
	313 316		Mr. Lee Sen. Rodey
	317 318		Mr. Lee Chairman Sturgulewski
	320 334		Mr. Lee Sen. Kelly
	337 341		Mr. Lee Chairman Sturgulewski
	343 392		Mr. Lee Christine Foster
	394 401		Virginia dal Piaz Ms. del Piaz
	504 505		Chairman Sturgulewski Senator Kelly

506 Ms. Piaz
511 Chairman Sturgulewski
513 Sen. Colletta
546 Chairman Sturgulewski
547 Sen. Rodey
559 Sen. Colletta
567 Sen. Rodey
582 Sen. Colletta
598 Sen. Rodey
599 Sen. Colletta
607 Sen. Rodey
611 Sen. Sturgulewski
613 Mr. Mitch Gravo/ Municipality of Anchorage
644 Chairman Sturgulewski
645 Sen. Rodey
649 Sen. Sturgulewski
653 Ron Murphy
665 Sen. Sturgulewski
674 Mr. Murphy
759 Sen. Kelly
671 Mr. Murphy
766 Sen. Kelly
768 Mr. Murphy
778 Sen. Kelly
785 Mr. Murphy
804 Sen. Sturgulewski
805 Sen. Rodey
806 Mr. Murphy
809 Sen. Rodey
810 Sen. Kelly
811 Mr. Murphy
824 Sen. Rodey
826 Mr. Murphy
843 Sen Rodey
844 Mr. Murphy
846 Sen. Sturgulewski
849 Mr. Murphy
861 Sen. Sturgulewski
865 Mr. Don Dickey (Alaska Chamber of Commerce)
949 Sen. Sturgulewski
950 Sen. Kelly
958 Mr. Dickey
963 Sen. Rodey
966 Mr. Dickey
970 Mr. Murphy (from audience)
971 Mr. Dickey
981 Sen. Kelly
983 Mr. Dickey
990 Sen. Sturgulewski
997 Mr. Dickey
999 RECESS
3:30 Meeting called to order
1002 Commissioner Ernie Mueller (Dept. of Environmental Conservation)
Plus Jon Tillinghast, from Dept.
13 Mr. Tillinghast
23 Sen. Sturgulewski
27 Commissioner Mueller
30 Sen. Sturgulewski
31 Mr. Mueller
60 Sen. Rodey
68 Commissioner Mueller
69 Mr. Tillinghast
74 Sen. Kelly
78 Commissioner Mueller
84 Sen. Sturgulewski
92 Sen. Kelly
94 Commissioner Mueller
97 Sen. Kelly
98 Commissioner Mueller
99 Sen. Sturgulewski
101 John Messenger (Acting Commissioner, Dept. of Revenue)
134 Sen. Sturgulewski
138 Mr. Messenger
142 Sen. Sturgulewski
144 Mr. Messenger
145 Sen. Kelly
147 Mr. Messenger
152 Sen. Kelly
153 Sen. Sturgulewski
160 Sen. Rodey
163 Sen. Kelly
164 Sen. Sturgulewski/Sen. Kelly
166 Mr. Messenger
169 Sen. Rodey
171 Sen. Sturgulewski
175 Sen. Kelly
1179 ADJOURNED 3:50 p.m.

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 2

2-22-79

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
Sen. Colletta	Bill Sponsor	
Dept. C/RH — Chris Foster	Eric Lee	
Virginia dal Pra		
Mitch Gravo	Municipalities of Anc	
Ron Murphy	INDUSTRY FOR QUALITY ENVIRONMENT	
Ruth Harris	310 2nd St Juneau, Ak	Alaska State Chamber of Commerce
Stan Nickels		
ERNSTER McCall	Pouch O	Dept of Fish & Game
John Messenger		Dept of Revenue

3-9-77

Committee Log Book -

Tape Number 1

Side Number

Dates 3-9-79 to

Senate C/RA
Committee

Bill Numbers Discussed

SB 2	Work Session						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30		SB 2	Work Session

3-8-79

Committee Log Book -

Tape Number 1

Side Number 1 & 2

Senate C/RA
Committee

Dates 3-8-79 to

Present: Chrmn. Sturgulewski, Senators Stimson, Rodey, Mulcahy

Bill Numbers Discussed

SB 2	SB 204	SB 131	SB 205	SCR 9					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P.M.	000	SB 2	Chairman Sturgulewski
			Sen. Mulcahy Mtn. bring "CS" before Committee
			David Olered-Haines - Nat'l Fed. Independent Business
			Mr. DeBoy - Dir. - Gordon Youth Center
			Sen. Kelly, amend to Dept Env. Conser.
			Sen. Mulcahy move to Pass W/ind. rec.
			Decision to have work session tomorrow / Beltz Rm
		SB 204	Carolyn Gross - APUC Commissioner
			Sen. Hohman
			Bob Loeber
			Carolyn Gross
			Mulcahy
			Rodey
			Hold until tomorrow / Gross to Hohman - w/
			David Hutinson AK Dir Cooperative Assoc.
			Jerry Larson, Mgr., Engineer's Dept.
		SB 131	John Scribner, Dir. Water Programs
			Sally Hanson, Sen. Fertula's AA
			Palmer McCarter Dept. C/RA - Objection
			Sen. Stimson Move to Pass CS w/ind rec - No objection

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator George Hohman
Senator Frank Ferguson
Senator Mike Colletta
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - ASSEMBLY BUILDING, ROOM 207

Thursday, March 8, 1979

1:30 p.m.

SB 204 - An Act relating to public utility rates.

SB 2 - Continued from February 22: An Act relating to the comprehensive recycling and reduction of litter and imposing a litter reduction assessment; and providing for an effective date.

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 2, SB 204

3-8-79

	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH	
Attn SB 2	David Glatt	Tax Dept - Bismarck	N.D. Tax Dept.	OK
SB 204	Gordon Gross	435 [illegible]	[illegible]	OK
SB 204	David Hatcher	801 W. Firwood Dr. Apt 101 Arlington, Va 22201	AK REC Assoc.	OK
SB 2	S. M. DuBois	P.O Box 1153 Dunseith	Gordon Fund. Center	OK
SB 2	Larson			

TAPE 1
3-12-79

Committee Log Book - 1980

Tape Number 1

SENATE C/RA
Committee

Side Number 1

Dates 3/12/79 to

Bill Numbers Discussed

	SB 2								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
	000	SB 2	Chairman Sturulgewski called meeting to order
	09		Sen. Kelly, am to Bill / Chairman Sturgulewski
	17		Sen. Kelly, amendment No. 1
	37		Chairman Sturgulewski
	40		Sen. Rodey - agrees with Sen. Kelly
	47		Chiarman Sturgulewski
	49		Mr. Baldwin, Legal Office
	53		Sen. Sturgulewski objects to amendment
	59		Call to adopt amendment/ Sturgulewski only objection
	69		Sen. Kelly, Amendment 2
	75		Chairman Sturgulewski reviews
	79		Motion to adopt
	80		Chairman Sturgulewski to Mr. Baldwin
	82		No opposition to Am. 2
	83		Sen. Kelly presents Amendment No. 3
	87		Chairman Sturgulewski asks to hold until Commissioner C/RA arrives - who is on the way
	95		Sen. Kelly, next amendment
	107		Chairman Sturgulewski
	110		Mr. Baldwin
	116		Sen. Kelly
	119		Sen. Rodey
	124		Mr. Baldwin
	126		Chairman Sturgulewski
	130		Sen. Stimson
	132		Mr. Baldwin
	137		Sen. Stimson (Existing Law questions)
	142		Mr. Baldwin Sen. Stimson (Existing Enforcement)
	165		Chairman Sturgulewski
	169		Sen. Rodey
	174		Chairman Sturgulewski
	175		Mr. Baldwin
	177		Commissioner L. McAnerney/ Sen. Rodey
	181		Chairman Sturgulewski
	183		Sen. Kelly
	187		Rick Lauber

197 Mr. Baldwin
200 Chairman Sturgulewski
201 Am Adopted - No objection
202 Sen. Kelly, Last Amendment
213 Chairman Sturgulewski
218 Sen. Rodey
228 Commissioner L. McAnerney / Dept. C/RA
230 Chairman Sturgulewski
235 Senator Stimson
243 Commissioner McAnerney
247 Chairman Sturgulewski
249 Vote - Amendment adopted - No objections
250 Sen. Kelly - financing
279 Chairman Sturgulewski
287 Motion to move CSSB 2
Sen. Stimson
292 Chairman Sturgulewski / review Financing part and
Sen. Rodey SB 2 / would like to move package out
Sen. Kelly - can't vote 2 bills at once and financing is not a bill yet
308 Sen. Rodey
316 Chairman Sturgulewski - called recess to ck procedure

TAPE II
3/12/79

Committee Log Book - 1980

Tape Number II

Side Number 1

SENATE C/RA
Committee

Dates 3/12/79 to

Bill Numbers Discussed

	SB 2	SCR 9	SB 204						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
	000 010	SB 2	Chairman Sturgulewski called meeting back to order CSSB 2 up for consideration
	012		Sen. Stimson motion to pass out with ind. rec. Sen. Rodey - no rec and Sen. Kelly - do not pass until funding appropriation is settled.
	018		Chairman Sturgulewski - another bill needs to be for funding
	022		Sen. Mulcahy moved to introduce funding bill
	024 027		Sen. Kelly objected / no bill before Committee Chairman Sturgulewski
	028 040		Sen. Kelly Sen. Rodey/ Motion to introd. bill with notation to this corrects single subject constitutional problem which existed in the original bill.
	053		Chairman Sturgulewski - write letter to Sen. Pres. suggesting new bill be drawn...
	70		Sen. Kelly objects in the final vote on the letter. idea - he wants to see source of funding first, having objected to the original version.
	080	SCR 9	Sen. Kelly
	85 90		Sen. Sturgulewski Sen. Rodey
	93		Sen. Sturgulewski
	100	SB 204	Chairman Sturgulewski
	109 134		Sen. Hohman Sen. Rodey / Sen. Hohman
	140 156		Commissioner Carolyn Guess/ APUC Chairman Sturgulewski
	165 177		Ms. Guess Chairman Sturgulewski
	195 220		Sen. Hohman questions Ms. Guess Sen. Hohman
	227		Sen. Kelly/ Sen. Hohman

233	Sen. Hohman
244	Sen. Sturgulewski
249	Sen. Hohman
263	Ms. Guess/ Chrmn Sturgulewski
313	Sen. Hohman
321	Sen. Sturgulewski
323	Sen. Stimson questions Sen. Hohman
339	Mr. Hutcheon
353	Sen. Stimson
357	Ms. Guess
368	Sen. Stimson
375	Ms. Guess
390	Sen. Hohman
405	Sen. Mulcahy moved to adopt "CS" for SB 204
417	All agreed - no objections
426	Sen. Rodey moved to pass out "CS" for SB 204

SCR 9

432	Sen. Rodey
434	Sen. Kelly
435	Chairman Sturgulewski
436	Sen. Stimson
445	Sen. Rodey
455	Sen. Mulcahy
460	Sen. Rodey
468	Chairman Sturgulewski - motion to pass out? Egeryone - "Do pass"
473	Sen. Rodey
474	Mtg. Adjourned.

SB 2 TITLE & SPONSOR SUMMARY

AMENDED TITLE: CS SB

AN ACT RELATING TO THE CONSERVATION OF LITTER; AND PROVIDING FOR [illegible]

PRIME SPONSOR: SENATOR(S)

CO-SPONSORS: [illegible]

ZIEGLER, BRADLEY, [illegible]

CURRENT STATUS: [illegible]

SB 2 TITLE & SPONSOR

AMENDED TITLE: CS SB

AN ACT RELATING TO THE CONSERVATION OF LITTER AND PROVIDING [illegible]

PRIME SPONSOR: [illegible]

CO-SPONSORS: [illegible]

ZIEGLER, BRADLEY, [illegible]

CURRENT STATUS: [illegible]

SB 2 [illegible]

TITLE

DATE	CLU	[illegible]
01/15/79	01	[illegible]
02/12/79	02	[illegible]
03/14/79	03	[illegible]
03/20/79	04	[illegible]
03/21/79	05	[illegible]
03/21/79	06	[illegible]
03/21	07	[illegible]
03/21/79	09	[illegible]
03/21/79	10	[illegible]
03/21/79	11	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
DATE	CLU	[illegible]
03/22/79	12	[illegible]
03/27/80	13	0706
05/14/80	14	[illegible]
05/19/80	16	1037
05/20/80	17	1251
[illegible]	[illegible]	[illegible]
05/19/80	15	1034
05/20/80	18	[illegible]

SB 2 TITLE & SPONSOR SUMMARY 10:58 5/30/80 PAGE 1 OF 3

AMENDED TITLE: CS SB 2
AN ACT RELATING TO THE COMPREHENSIVE RECYCLING AND REDUCTION OF LITTER; AND PROVIDING FOR AN EFFECTIVE DATE

$500,000 (F. NOTE)

PRIME SPONSOR: COLLETTA.
CO-SPONSORS: KERTTULA, SACKETT, DANKWORTH, MELAND, STURGULEWSKI, SUMNER, ZIEGLER, BRADLEY, FAHRENKAMP.
CURRENT STATUS: 5/28/80 IN (H) RULES

SB 2 TITLE & SPONSOR SUMMARY 10:58 5/30/80 PAGE 1 OF 3

AMENDED TITLE: CS SB 2
AN ACT RELATING TO THE COMPREHENSIVE RECYCLING AND REDUCTION OF LITTER; AND PROVIDING FOR AN EFFECTIVE DATE

$500,000 (F. NOTE)

PRIME SPONSOR: COLLETTA
CO-SPONSORS: KERTTULA, SACKETT, DANKWORTH, MELAND, STURGULEWSKI, SUMNER, ZIEGLER, BRADLEY, FAHRENKAMP.
CURRENT STATUS: 5/28/80 IN (H) RULES

SB 2 SENATE ACTION 10:59 5/30/80 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/15/79	01	0007	FIRST READING -- COMMITTEE REPORTS
03/12/79	02	0433	CRA -- DNP01, CS02, NR02
03/14/79	04	0472	FIN -- CRA CS03, NR04
03/20/79	05	0567	RLS -- OTHER05
03/21/79	06	0578	SECOND READING
03/21/79	07	0578	CRA CS ADOPTED BY UNAN CONSENT
03/21/79	08	0578	ADVANCED TO 3RD READING BY UNAN CONSENT
03/21/79	09	0578	THIRD READING
03/21/79	10	0579	PASSED BY DIV 19-01-00
03/21/79	11	0579	EFFECTIVE DATE VOTE SAME AS PASSAGE
03/12/79	03	0433	C&RA LETTER OF INTENT
****	**	**	*** *** ***

SB 2 HOUSE ACTION 10:59 5/30/80 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
03/22/79	12	0710	FIRST READING -- COMMITTEE REPORTS
03/27/80	13	0780	S.A. -- CS06, NR01
05/19/80	14	1487	FIN COMM REFERRAL ADDED BY UNAN CONSENT
05/19/80	16	1487	MOVED FROM JUD TO FIN BY UNAN CONSENT
05/28/80	17	1750	FIN -- S.A. CS(AM)05, NR02
			RULES
05/19/80	15	1487	FIN CMTE REFERRAL ADDED
05/28/80	18	1750	FIN F/NOTE-HSE SUPPL #79
****	**	**	*** *** ***

Notices Sent
2/13/79

Copies To:

Sen Sec.
St. Dept Clrk
CRT Oper.
Collitta

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Mike Colletta
Senator Jalmer Kerttula
Senator John Sackett
Senator M.E. Dankworth
Senator Pete Meland
Senator Bill Sumner
Senator Robert Ziegler
Senator W.E. Bradley
Senator Bettye Fahrenkamp
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 22, 1979

1:30 p.m. SB 2 - An Act relating to the Comprehensive Recycling and Reduction of Litter and Imposing a Litter Reduction Assessment; and providing for an effective date.

Mr. Jerry Barber
Safeway Stores
800 East Diamond Boulevard
Anchorage, Alaska 99502

Mr. Bob Winslow
Anchorage Cold Storage
P.O. Box 39
Anchorage, Alaska 99510

Mr. Orville Proctur
Proctur's Supermarket
P.O. Box 4-1476
Anchorage, Alaska 99504

Mr. Dan Pekick
KNL Distributing
4574 Lois Drive
Anchorage, Alaska 99503

Mr. Les Norman
Gottstein Company
6441 "C" Street
Anchorage, Alaska 99502

Mr. Bob Swanson
Johnson Leilier
100 W. Intern'l Airport Rd.
Anchorage, Alaska 99502

Mr. Larry Compton
Time Saver Grocery
3919 Spenard Road
Anchorage, Alaska 99503

Mr. Ed O'Neil
Brown Jug
Box 2000
Anchorage, Alaska 99510

Mr. Joe Wiley
Carr's Food Center
1341 Fairbanks Street
Anchorage, Alaska 99501

Mr. Joe Hart
Alaska Distributing
3840 Spenard Road
Anchorage, Alaska 99503

Mr. Ben Marsh
Caberet Hotel & Restaurant
Box 883
Eagle River, Alaska 99577

Mr. Ben Anderson
Alaska Beverage
Box 1541
Fairbanks, Alaska 99701

Mr. Bill Whaley
Market Basket
P.O. Box 21
Fairbanks, Alaska 99701

Mr. Lloyd Robinson
ALPAC Corporation
2300 Twenty-Sixth Ave. So.
Seattle, Washington 98144

Mr. Tom Satre
Sitka Northern Lights
P.O. Box 1169
Sitka, Alaska 99835

Messrs. Cox and Stith
Pepsi Cola Company
4901 Fairbanks Street
Anchorage, Alaska 99503

Others on SB 2 letter Rec notification list

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature

LETTER OF INTENT ---- SB 2

Senate Bill 2, An Act relating to the comprehensive re--cycling and reduction of litter, and providing for an effective date, contains two elements; i.e., the program and the financing mechanism. In order to avoid possible constitutional problems involving the single subject rule, the Community and Regional Affairs Committee has developed Committee Substitute for Senate Bill 2, which covers program elements of SB 2. The Community and Regional Affairs Committee has developed a companion bill to cover the financing mechanisms and respectfully requests the introduction of this bill.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

_____
Chairman

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 22, 1979
Committee Public Hearing - Butrovich Room
HJR 10, HCR 7, am., SB 2

1:30 p.m. The meeting was called to order by Chairman Sturgulewski. Absent were: Senator Mulcahy and Senator Stimson. Present were: Senator Rodey, Senator Kelly and Chairman Sturgulewski.

House Concurrent Resolution 7, amended - Sponsored by the House Community and Regional Affairs Committee - "Relating to an annexation of territory to the City of Kodiak."

Following introduction and a brief discussion, the Committee gave an unanimous "do pass" decision.

House Joint Resolution 10 - Sponsored by Representative Zharoff - "Relating to Local Boundary Commission Recommendation I of January 23, 1979, for annexation of territory to the City of Kodiak."

Following introduction and a brief discussion, the Committee gave an unanimous "do pass" decision.

Senate Bill 2 - Sponsored by Senators Colletta, Kerttula, Sackett, Dankworth, Meland, Sturgulewski, Sumner, Ziegler, Bradley and Fahrenkamp - "An Act relating to the comprehensive recycling and reduction of litter and imposing a litter reduction assessment; and providing for an effective date."

Following introduction, Chairman Sturgulewski called a brief recess, in order to pass before the public new work drafts of a committee substitute for this bill.

Chairman Sturgulewski after calling the meeting back to order pointed out several main changes which show in the committee substitute. Section 41.21.140 dealing with Federal requirements was added. If there are any changes in Federal requirements that would affect a portion of the bill, we would see that those particular State portions, when in conflict with the State, would automatically drop out so the Federal funds could flow in. The tax portion has been segregated out. It does not require a fiscal note, but again under the single subject rule, it needs to have a separate vehicle. The nonseverability clause has been omitted so that this bill would conform to what the other legislation within the State normally does. There is a severability clause, where if a portion of

the bill is found to be invalid, the rest of the bill stands. The Courts have moved to hold as much as possible that the legislation will stay in effect, and that is a very major change in the substitute bill. A section has been added allowing for staggered terms of the Advisory Council, whereas the former bill caused a complete changeover in a two-year period of time.

Senator Colletta, the prime sponsor, was the first to testify. Stressing that the bill is a personal priority, he then briefly refreshed memories on the history revolving around the bill. The deposit and the litter reduction activity bills have changed through the times and circumstances. Both bills now address themselves to a recycling finish, in addition to the reduction of litter. This bill would be an opportunity to try something that would truly address a litter free environment versus the deposit measure. This bill is completely industry supported. It would create the first step, regardless of its volume collection, in a process to develop a litter free environment and save a resource ethic that we should all be participating in. He stressed he did not stand on the pride of authorship on anything within the bill other than the conceptual idea behind the bill. The bill is a composite of many, many litter acts that are in effect in various states and the amendments have been made out of actual work applications over the eight years that some have been in effect. The last page of the work draft, Page 13, Section 6, is a review and evaluation provision. Convinced that Alaskans will out perform other states, he urged that this bill be given a trial, so we will all have a better and happier place to live in without having added an additional burden to the overall populace in the attempt to reduce litter and recycle some of the materials that we use.

Mr. Eric Lee, Director of the Division of Community and Rural Development, Department of Communicty and Regional Affairs, stated his Department was basically in support of the concept of litter reduction and staying a litter-free State. There were some concerns in the language, somewhat of a technical nature. There was a concern that the costs of the program were covered by the new revenues generated. One recommendation was that a new division not be created. It was felt a highly visible program within an existing division, within the Department, would be just as advantageous and more economical in cost. A Department assumption is that a central location of the program would be located in Anchorage and that there would be a field office in Juneau, and costs are related to that accordingly. A Department assumption is that local communities are concerned about implementing the comprehensive litter reduction program and that the Departmental staff will provide assistance, guidance, and coordination in their efforts. The Department does not intend to be able to solve the problems themselves and it is with the assumption that local communities would be participating very actively, and that the program in those local communities would eventually become self-sustaining. The language of the initial bill indicated the administrative cost to be limited to 35 percent. The Department assumes that the administrative costs are defined as those costs which are not directly related to the program. Although some program costs may be salaries, salaries of people

Although some program costs may be salaries, salaries of people who 100 percent of the time are coordinating with the communities, they simply are not defined as administrative costs. An annual inflation rate of six percent is assumed. Basically, the Department took the revenue projection and tried to tell what they could do with that amount of money. So, the first years expenditures, next year, would be $600,000 total expenses, which was believed in line with the original projection. Of the $600,000, the Department broke out the line item budget on the second page. Included was a staff of eight people, with some clerical staff. A staff chart is provided. The high level information officer, educational type person, who heads the section is supported by a clerical staff and four professional field people, who would be working in the field with the local communities, to coordinate the activities of the program. In the 1981 projection, one more position was added, a fulltime position for a recycling coordinator. In discussions with other states, who had been involved in this, it was indicated this position would not be needed until the program was on its feet. Then, a coordinator for the recycling efforts would be needed. Other major items involved some travel, necessary when the staff needed to participate with local communities. The Advisory Council, which is created, would need travel and per diem monies as indicated on the fiscal note. There are basic communication costs, space costs, and other items based by the standard cost of the Anchorage area and the Juneau area. Another large item is $75,000 for promotional and educational type activities. A film has been listed as one major item. Other states have felt it to be one of the more advantageous methods of information assimilation. With promotion being one of the objectives, the budget is a reflection of this. Equipment and commodities to operate the number of bodies based upon current standards, as well as the grants section, where direct grants would be made to communities for the various functions are outlined in the bill.

Senator Rodey stated that in June, 1978, in a Community and Regional Affairs memo, the estimated cost of the bill was 2.6 million. There has been a significant reduction in the cost of the bill, without an apparent major change, and asked Mr. Lee why the tremendous decrease in the cost.

Mr. Lee stated that at that point the Department had tried to develop a handle on what it would cost essentially to do everything that everybody else in the country was doing. Other people had been contacted as well as various states with different programs. One major item was the Youth Patrol. The State of Washington funds their program 100 percent. Hundreds of youths are hired to go out and actually pick up the litter, and they are paid out of the general fund, which is over a million dollars. So, if the Legislature wants to fund a Litter Patrol with State funds, the language does not indicate it. It indicates other sources of funds for hiring that type of people. That was one of the major functions. Additionally, the Department was trying to say, what is the ultimate cost if a Rolls Royce of a program. In discussions with the sponsor and others, the revenue projections were indicated. The Department concurred that the cost of the program should not exceed the revenue. What is being said now is that is what can be done, and what will be done with that amount of money, and scale it down accordingly.

Senator Rodey commented that the Litter Patrol is still in the work draft, and that the Department of Revenue estimated revenue last year at $890,000. Would that be a reasonable amount of money to support the program? It was noted that legislators often see proposed programs come back more expensive than when they had started out. Community and Regional Affairs was felt to be one of the most responsible, but still felt that he should be cautious.

Chairman Sturgulewski commented that perhaps the new proposal on the tax bill had not yet been noted, and gave a brief summary.

Senator Rodey asked Mr. Lee if the Department handled any other litter control programs, or programs relating to refuse. Mr. Lee replied no.

Mr. Lee indicated that the Department of Environmental Conservation expressed concerns about the language. He would like a further clarification of the definition of administrative costs because if personnel services are considered administrative costs, you are not going to get this type of program for 35 percent of the total.

Senator Kelly asked why the Department of Community and Regional Affairs was selected to administer the program rather than the Department of Natural Resources. Mr. Lee did not know and suggested the original sponsor be asked.

Mr. Lee further stressed that the language referring to three months after the fiscal year to determine the report is a bit too restrictive, because the books do not actually close for a couple of months after the fiscal year end, and the Department would like to see an extension of six months, rather than three months.

Chairman Sturgulewski inquired if that would bring the program back before the Legislature for that immediate year.

Mr. Lee replied the Department has a similar type situation with the day care assistance program, which they administer. Fiscal time frame would be difficult to close down all the books. There is some concern about the Department's ability and mechanism for receiving and expending contributions of either cash or in kind, in terms of the day-to-day operations. The Department has no experience in this area and would like the language to clearly establish the intent, that the Department could take in gifts, donations, and turn around and spend those on behalf of the program. It was noted that some states have indicated difficulty in public relations with businesses when specific size, color and shapes of receptacles were mandated as these businesses may have spent a large amount of money on the decor of their buildings. So, the Department would like to see a little more flexibility in that part of the language. The Department would also like to see some indication as to what is expected and the intent of the establishment of a fine. Another item would be for the general use of grant money to municipalities to allow them to purchase the required receptacles, and so forth, a primary need.

Chairman Sturgulewski inquired if the thinking was toward smaller communities where that would be the difference of the beginning of the program. Mr. Lee replied yes. If that is the primary need and primary situation and they have no other basic resource. This could at least be a possibility. The sole use of the grants certainly does not support that idea.

Mr. Kanouse, Program Coordinator for the Division of Community and Rural Development, Department of Community and Regional Affairs, who had sat at the testifying table with Mr. Lee had no comments.

Ms. Foster introduced herself as Christine Foster, appearing as a member of the sponsoring committee for Ballot Proposition No. 5, in the 1978 General Election.

Ms. del Piaz introduced herself as Virginia del Piaz, Chairman of the Ballot Proposition, properly known as the Alaska Bottle Bill Initiative. She stated it was general knowledge she and Chris are legislative staff this Session and had received permission to testify. Several years ago they undertook an initiative drive to place a proposal for a term of beverage container legislation before the public. There were two problems of concern, recycling and litter. The initiative was defeated in the November General Election, but the interest in addressing these two problems remain undiminished. There is the concern that any legislation deal meaningfully and not just be cosmetic only in this problem.

Probably the most important concern is that the program would most appropriately be administered under the Department of Environmental Conservation, rather than the Community and Regional Affairs Department. DEC has the existing litter control measures, and has solid waste management. As a Department, DEC is the lead State agency for solid waste management planning, has the regulation for enforcement, for technical assistance, both under the State Law and the Federal 1976 Resource Recovery and Conservation Act. DEC already distributes litter bags, they have already done litter surveys, they provide local assistance to governments, promote the Alaska Clean-Up Month, which is believed to be May, and have done so for a number of years, and have also been involved in policing television spots and other public literature. It is very evident that this agency has been involved in this for some time and is therefore felt to be more of an appropriate agency to deal with the program. This program could be put in an existing division, in DEC, probably their Terrestrial Programs division, which already handles most of what is proposed.

Concerning the Advisory Council, there are two ways of working with it. One comment that if the program is moved to DEC, DEC already has an existing Advisory Committee that could possibly expand their charge to the proposed legislation. There is existing funding already for this particular Committee. They are a very well constituted working Committee. They are used to dealing with these things and they are very familiar with these types of problems. If the program is kept in Community and Regional Affairs, it was felt the Advisory Council should

very definitely not represent just the same interest group. It should be expanded to different interest groups rather than just businesses. Some suggestions might include a public member, education members of the community, local government officials, perhaps a rural representative, somebody from the recycling group, youth groups, some type of business representative, possibly one from a consumer group and environmental group, and one from service organizations which have expressed quite a lot of interest. Another suggestion is that the Council not meet more than two or three times a year, rather than the four or more times as stated. This would also help fiscal implications such as per diem and travel.

The proposed Litter Patrol has changed quite a bit through the years. In the current bill, the duties and purposes are vague and not well specified. This should be clarified further. As a note, to cover the size of our State of Alaska and to be an effective part of the program, it might grow quite large. There might be some problems with the way it's constituted.

If the grant section is to remain, some definite limitation on the grants indicated should be made. Numbers one through four for a large part already exists; numbers five and six could very effectively be made into a loan program either with one existing, or create a new one; and numbers seven through ten could be done by the Department or division, or could be subcontracted, or could possibly be grants, if so deemed. For further information, the first one goes with the instruction of informative material distribution to elementary or secondary schools, and so forth. There are already a lot of sources for this, mainly for the Keep American Beautiful Program and some through Federal programs. The second one, purchase and erection of roadside signs is vague, and it would be duplicating to give grants for this. There is already an existing statute for the address of roadside signs for littering. Section 19.19.010, states a Commissioner of the Department of Transportation and Public Facilities shall place a sign near State boundaries at each primary and secondary highway which informs the public of the prohibition against, and penalty for, highway littering and may place similiar signs at other locations in the State when considered necessary. We are already covering that contingency. Third, the organization, operation of the clean-up drive conducted by local agencies, private organization or service groups, even volunteer help, does exist in the private sector and question the wisdom of using State monies to fund this. Fourth, public information that is selected by the division including the use of media. DEC is already doing media spots against litter and programs are noted on television and radio. Fifth and Sixth speak to Number Five, the expansion of existing and creation of new source separation programs. Six, expansion of existing and creation of new community recycling centers. This might more appropriately be under a loan program because it is speaking of capital expenditures. Seven through Ten should more appropriately be under the section that gives the charge to the division in whichever department. It is essentially telling the things that should be done.

The litter control assessment, no matter what it's finally called, should be tied to the amount of litter generated by a business. There should be some relation between non-litter generated to the tax put upon by a particular business or operation.

Senator Kelly asked Virginia if she was satisfied with the recycling provisions of the bill. Ms. del Piaz replied there quite frankly weren't many and would certainly like to see this strengthened.

Chairman Sturgulewski felt some major and basic issues had been raised and asked Senator Colletta to speak again addressing the reason for the designation of the Department of Community and Regional Affairs as well as the Youth Patrol.

Senator Colletta again emphasized that this bill was the accumulation of experience gained by other states over the past eight years. This is not a State bureaucracy. For all practical purposes, this is a people's activity, thus the agency, Community and Regional Affairs, was picked, as they deal with people on a daily basis. DEC is limited in their scope. Although they have activities Statewide, it's not a normal reoccurring daily function. They deal with specific issues, and the Department of Natural Resources is the same way. They have Statewide responsibilities, but they do not work on a daily basis Statewide.

The Litter Patrol has been a source of controversy from the day it was requested, and it was never requested by him. The Youth Patrol is very much alive, and in Anchorage thought there was around 2,000 youngsters involved. This is being run through nonprofit and civic organizations. They are not State employees.

Senator Rodey expressed concern on the cost of the bill, especially being borne by Alaskan business, small and large alike. He stated his reluctance to put any additional burdens on Alaskan businesses this year, also feeling it's passed on to the consumer and affecting all Alaskans. The Litter Patrol appears to be a unknown quantity at this point and particularly in future years.

Senator Colletta again stressed that the Litter Patrol is alive and it is not State funded. It is comprised of youngsters who are assisting their parent organization in the earning of money, and it is a volunteer effort. The only paid individuals are those that the State will furnish to assist communities in accomplishing a Litter Act activity.

Senator Rodey further pointed out that nowhere in the bill does it say that, it merely says the division shall adopt mandatory requirements for adoption of regulations which established the Litter Patrol. Another concern is the requirement that businesses procure, place and maintain receptacles, at their own expense, after their expenses here. The responsibility is on people owning or operating a public place, which includes most businesses, certainly all retail. This was alluded to previously.

Senator Colletta stated he did not know of any other specific language. Specific organizations, such as the Chamber of Commerce, have already implemented the litter and recycling activity, totally privately funded. It was the understanding in talking with the Chairman of that activity, that it is not a probability. The only assist that he would want out of the passage of the bill would the educational aspects and conceivably, on occasion, a little bit of receipt money to tide over some of the contractual things that deal with the nonprofit organizations in the pick-up of litter. Through the normal course of activity, they do have designated spots, and receptacles now, and the responsibilities for policing their own yards still remains theirs. All we are doing is assisting and hoping that the accumulation of that would be the central place for them, again benefiting them. They still sweep their own parking lots and everything else.

To further clarify, originally there was a Litter Patrol. These were uniformed yougnsters working for a State agency and so forth, but experience has shown that was not the most practical way. What you have done is just expand a refuge pick-up activity. Greater success has been achieved in the utilization of the local youth and instilling pride in each community.

Senator Rodey stated he would be happy to work on the language and redo this section.

Mr. Gravo introduced himself as Mitch Gravo, testifying as a resident of the Municipality of Anchorage. Litter is a major problem for the municipality and any legislation which helps deal with that problem is supported. Legislative intent is a concern and suggests the Committee discuss the possibility of including the public sector also in that section. The Municipality works very closely with the Chamber of Commerce and last year the program was a tremendous success. This year there will be some changes, a new approach, and the program should be even more successful. The Advisory Council should also have solid waste professionals, and people with considerable expertise. It is indicated that six months after the bill goes into effect there should be a survey. If this goes into effect in July, the survey would be conducted in January, and in Anchorage all the litter is covered up at that time. They see it in May. When garbage and refuse is referred to in the bill, the suggestion is made for the word solid waste to be used instead, giving a specific definition. Concerning receptacles, the costs to those individuals may be significant depending upon the design, and the bill speaks that the design will be the responsibility of the director.

you might use the word solid waste, instead of garbage or refuse, because it's ..... and has a specific definition. Finally, when the legislation speaks to the receptacle, the costs to those individuals may be significant depending on the design, and the bill speaks of the design will be the responsibility of the director, and we suggest that perhaps you look at some, that better responsibility being placed with professional with a design, in the least costly manner possible. I have no further comment.

Chairman Sturgulewski: Fine. Are there questions of Mitch?

Senator Rodey: Madam Chairman, just one comment briefly with regard to the tenth section of the bill, since Senator Ziegler, the Senate grammarian, is not with us, let me, let me offer some comments. The English language is a beautiful thing and I think perhaps we could include its usage in the ~~intent~~ tenth clause by perhaps, by cutting down some of the existing verbage. I think it would be interesting for the press to take a look at it and see how it, we might say what is intended to be said and in fewer words and discretion .... set aside.

Chairman Sturgulewski: Thank you, Pat. Thank you, Mitch. Appreciate that. Ron Murphy?

Mr. Murphy: Madam Chairman and members of the Committee. My name is Ron Murphy. I'm a lawyer from Seattle, and the reason I am here is because it is my understanding that the Committee would like to hear from me about the experience we have had in that State and other states that I am familiar with. I represent the industry group that has been involved in this kind of a program in other states, especially

in Washington State; and, I have had a great deal of experience, good and bad, and made some mistakes, and hopefully have learned from them and my purpose here, I believe, is to hopefully answer questions that you might have that might help you in making determination of how to make your determination. I should also say that I have worked with, closely with, the Alaska industries people, and tried to work with Senator Colletta, and some of the other people here in Alaska, within the government, to give them the benefit of our experience.

Senator Sturgulewski: Mr. Murphy, I think it would be very helpful to us. I am sure you have had a chance to look at Senate Bill 2 and the Committee Substitute, what we have on the table in basic form, very similar to that. I wonder if you might be able to say what we have presented here, how that compares to what's happening in Washington and what you feel, or perceive has happened in Washington as a result of their bill. Or, have we strengthened areas where they have had weaknesses. What about this program? What can it do for Alaska, if there is a commitment of those that have said that we will make this bill work What might happen in Alaska as a result of a bill like that?

Mr. Murphy: I'll do my best.

Chairman Sturgulewski: Yes, just a little kind of an overview and comparison and what will this do for us.

Mr. Murphy: All right. And then if I don't answer something, or raise other questions, I hope you'll shoot straight at me and I'll try to do my best. If I don't know the answer, I'll tell you.

Chairman Sturgulewski: I may not, but I bet Senator Rodey will.

Mr. Murphy: All right. First of all, I think you asked me what, how does this bill compare with what my experience has been in other states and observations. This bill was put together as I understand it, as an attempt, to take the best of those bills and weed out the poor portions of those bills, and then it was tried to be tailored to the situation here that exists as best to be determined for Alaska. A lot of thought went into that and a lot of work went into it and it was an attempt to put it together in a fashion that would work here. For instance, the Washington approach, in the beginning, was entirely a litter bill approach Back in 1970-71, when the Washington approach was put together, it pertained entirely of litter. Now we find that there are these recycling solid waste problems that have developed and so the bill that you have before you is an attempt to incorporate and address itself to those problems and solving them. I should start right out, though, and try to be specific and say, it is not the intention as I understand this bill, and Senator Colletta certainly has more and better knowledge of what this is about and what he wants to accomplish, and you might want to accomplish, than I do. But industry, and speaking for industry I can say, I can say honestly and candidly, industry is behind this bill, as I understand in Alaska, and I can tell you its behind the bill in Washington. And I understand from talking to the industry people here that they don't intend to have a cosmetic bill, as stated here earlier, they want a bill to work. And they'll stand behind it and attempt to make it work. Now this bill is addressed somewhat to recycling, where the Washington bill was not. Now we are amending the Washington bill now to incorporate and strengthen recycling sections; but fortunately, when we drafted the Washington bill, we made it flexible enough, by luck, that it could address itself somewhat to recycling, and we were able to incorporate recycling in it and in the State of Washington, we have got a tremendous increase in recyclers and

recycling, which I think in large measure is due to this situation we have down there. We have some 500 recyclers in the State of Washington now, almost more than any other state and part of that is due to the bill. Not all of it, I assure you. Going back, ~~the,~~ what we did in Washington is, we were told in the State of Washington as industry, that if we didn't come up with something to solve the problem of litter back in those days, that we'd, the State would solve it for us. And we had some good Senators and Representatives that we knew, and we sat down with them, and we said, hey, we don't know how to solve the litter problem. We don't. We know it's a big one now because of what's happening in this country. But we said we'll go out and see what we can come up with. So, we got together a group of industry people like the ones you have here, and we'll try to get together here now, and come up with a program that we can present the Legislature and they take a look at it in that stage and say o.k., it makes sense, or it doesn't make sense. And that's what we did. And we studied, spent about $15,000, doesn't seem like much money now, but then it was quite a bit, to study the litter situation in the various states by the municipalities, by the states, by the individuals, businesses, and so forth, and come up with what we thought was the way to solve it. And we came up with basically what is known as the Washington Model Litter Law now. ~~That's how we~~ .... The idea behind this is, as I stated earlier, it's not to have the State solve all the problems that we had in the recycling and litter, and it's not to have the State tax everybody, industry, or anybody else, to solve all the solid waste and recycling problems, we haven't got that much money. But the purpose is to put the problem of litter control and now recycling into one central agency in a given state and get some control over it, get some guidance over it, get some standards set, and get a program going, so people will know how to deal with the problem. So we, in Washington and other states now, and we hope in Alaska, will put this under a government agency that will take control of setting these standards and start working on the problem, instead of a mish-mash

like we had with one industry doing one thing, and one city doing another thing, and we don't know where we are going. People need guidance and we need study and we need work, so this is what the idea was. But we also put in here after our studies were made, some specific things which we thought should be done, so we didn't say the State solved the problem. We found out that there weren't enough receptacles out in given communities, given areas where people were apt to litter, like beaches, parks, playgrounds, you know, marinas. And the receptacles weren't placed in the right places at the right time. And the receptacles weren't the kind of receptacles that people could see and recognize. So, one of the things we require in this Act and in the other acts, is that the State sets standards, just like we have with stop lights today, just like we have all restaurants have to have toilet facilities. The State sets standards on these receptacles and they should be. Somebody said here earlier, and I know it was a good thought and we wrestled with this, we think ~~standardize, and color it and design~~ standarized in color + design. It doesn't mean they have to be expensive; but they should have some way people could recognize wherever they go that's a litter receptacle and that's what it's for and there should be enough of them out so that they can use them. How many times have we gone down a city street, and I've done it in Seattle, and I've done it in Yakima where I grew up, and I think I did it in Anchorage, and you are a person who wants to see litter picked up, you pick up the litter and don't know what to do with it. So we've got to have the things out there for people to put them in and they should be standarized, we think, in color and design. So we found that people were being fined for litter, littering and charged $100, $150, $500. This wasn't helping. One question answered earlier today was why was the fine low. Frankly we set the fines low down there and suggest it to you here, because the idea is to keep the fine low for the litterer because you don't want him to go and clog up the courts. We want it to be like a parking ticket, and so then, when a person litters, and he is fined, he just takes bail and it's sort of an educational process. That's a little thing, but it's one of

the more important things. The other thing that we found out is that motorists, drivers, people going places, have a lot to do with litter. They get in a car, out it goes, when they get in their cars and go picnicking, and so forth. So, it's mandatory in this Act to have litter receptacles in automobiles. We also found out, and this can be a litter bag. You also find in here that litter receptacles are required to be placed in all the, to be handed out by the State agencies. They are inexpensive, the State can give them out and the State will send them out with motor vehicle registrations, this is all an education process. So, we have followed this pattern in the State of Washington basically, and it's taken a long time to go through all of it, but basically, identification of litter receptacles, plenty of them out, litter bags, plenty of them out, and a good strong educational program for the public. And I might stop here and ask you to ask me some questions, it's not a boondoggle, but, but educational program for the public, is not just going out and buying some television spots to don't litter, it's to get each community involved. Have this Department, with one other field man go to the communities, like in the State of Washington. We have an annual program in Ellingsburg, Washington, where it's clean up the Yakima River. The field person from our Department goes out, starts the program there, for instance, to get those young people to school there to go out and clean up that River once a year and it starts them out, gets them going and gives them receptacles, gets their local community to get the trucks going; and these are the kind of programs that are coordinated under this Act. I can stop and talk about the Litter Patrol in a minute, but right now you may have some questions.

Chairman Sturgulewski: Yes. Senator Kelly?

Senator Kelly: Mr. Murphy, in the State of Washington, which Department administrates this program?

Mr. Murphy: In the State of Washington we use the Department of Ecology. The reason we use that is that it had just been formed at that time and it seemed like the natural place for it to go, because they were going to be a Statewide agency talking about ecological matters. I, when, if you would ask me specifically why this Department was picked here, I wouldn't have known the answer and I was very pleased to hear what Senator Colletta said that, if you need an agency that works in the various communities at a local level, so that you can get that local touch and get self-help programs going. And the Department of Ecology was the only Department we had that did that.

Senator Kelly: And then you said something about 500 recycling plants in the State of Washington. Is that 500 rebottling plants, or, what exactly are your recycling centers?

Mr. Murphy: Recycling centers in the State of Washington cover everything from a fairly large ~~area~~ plant to one where you have maybe a scrap dealer with several employees, handling from one hundreds of thousands of tons of stuff down to a one, or two, man shop, where you've got a fellow that believes in recycling and goes out and does it on a very insignificant small time basis, say one man. Am I answering your question? That's what I meant -- we don't mean a bottle shop, I mean we don't mean a manufacturer.

Senator Kelly: You're not actually recycling the material, you're not recycling aluminum cans, or recycling bottles, you're just simply, kind of a scrap center?

Mr. Murphy: It would include both, collecting it, putting it in boxes, separating it, and selling it to somebody who does it. We would count the ones who collected it, just the little guy with the shop where he collects bottles and cans and gives somebody money for it, or paper, all those things. But it isn't always the fellow

who processes it, no. It's the collection agency included. So when I say 500, really, it's the little guy too. It's the little guy who picks it up, and has it here, and pays people to bring it in; and then he sells it to somebody else. Of course he might sell it to Northwestern Glass, the glass, and they turn it into glass bottles. Does that answer your question?

Senator Kelly: Yes. That answers that particular question. And the last question I have, I suppose, I have some doubt whether standarized receptacles are really necessary because I am assuming they are going to be a great deal more expensive. If a person has the option between just buying a logo and putting it on an existing receptacle, or buying a standarized receptacle that has obviously been manufactured outside the State and brought in, I'm pretty concerned that the size, the weight, and everything; it's going to turn out to be quite an expensive item. It's like looking for a bathroom, you know, it doesn't make any difference if it's boys, or men, or gentlemen, or has a silhouette, you know, when you need a bathroom, you know where to find one and you can find it relatively easily.

Mr. Murphy: Well, I didn't do a good job on that. You're exactly right on what we had in mind. We don't have in mind to standarize as to shape and buy outside the State of Alaska. What we have in mind only is that it be standarized in one color and have a logo on it. That's all. Now our State Department went ahead and passed some other regulations as to where they should be placed, like shopping centers. They told, this is what your Department would do we hope, in a shopping center in the State of Washington, you're supposed to have, if you run a shopping center, so many of these receptacles because of the amount of traffic that's in that center. Instead of one receptacle for 500,000, well that's over exaggerated, one receptacle for 10,000 people who go through a shopping center in a weekend, there's got to be a 100 receptacles in that shopping center. And they are not

necessarily, although a rich shopping center does put out expensive ones, but if you are running a Mom and Pop Shoe Store, and you had a lot of traffic there and I don't know if a shoe store would be a good example. But a marina, it might be that you would put out a litter barrel painted green, but you would have a logo on it which the State supplies free. Our State supplies all the logo stickers so that if you are a little guy, you have to have this green receptacle and you can paint a barrel if you want, then the State will supply you with a sticker so everybody can recognize it, and they stick it on the receptacle. So you are right. There is nc requirement that you have this expensive piece of hardware. No. But they should be standarized in the sense that you recognize them.

Chairman Sturgulewski: Senator Kelly what ———

Mr. Murphy: The logo is the important thing and I would like to think the color is too, but I, I heard a man, this Mr. Lee, say that he went around and found out this is a problem because some businesses do not want to go with the green color that we use because it destroys their decor. And we've had a terrible fight on this sometimes, and our position is, in industry, is that if you're, I shouldn't, let's not say MacDonalds, let's say if your a Joe Hugh's Drive In organization and you've got all green, no all brown, and your architect says you should have brown receptacles, because it's pretty, our answer is too bad. We want to see those receptacles and we want them to be green, and there has been some scraps on that. Correct.

Chairman Sturgulewski: Further questions, Senator? Senator Rodey?

Senator Rodey: Just one question and what is your per capita costs in the State

of Washington?

Mr. Murphy: Oh, for our program? Anybody got a calculator? I don't have one. I could, I could divide, right now our program is going to be about, and we're very high now, our program started out $600,000. We're spending about a million four in the next bi-annum, so divide that 3 million 5 hundred people and that will about do it.

Senator Rodey: Obviously, fairly, fairly low cost on that _ _ _

Mr. Murphy: Yes, what do you get, I'm interested to know myself.

Senator Rodey: That bi-annum, is that a two-year budget?

Mr. Murphy: No, that's a one year, a bi-annum would be double that, which would be about three. What we did is we went from 1971 at 600,000 like you've done, up to this figure; but we have a different tax setup than you do. I think your tax proposal here is better because ours puts a heavier load on some industries. And, incidentally, I want to be very level with you, we looked at this very carefully, how to make suggestions to this Legislature here, to carry this tax and I think that the tax program that shows here, this assessment program makes a lot more sense than the one we have in the State of Washington, for you're safe. But you don't have enough base here to isolate one or smaller groups ..... you get prohibited, this way everybody shares in the cost and it makes good sense.

Chairman Sturgulewski: Alright, Mr. Murphy, you're talking about amount tied in the amount of litter so called, that's what your

Mr. Murphy: Yes, we break it, you know .

Senator Kelly: Madam Chair. How do you pay for the program in Washington?

Mr. Murphy: Well, in Washington we have a very broad base tax, like you do, but we were able there to tax broad, broad spectrum of industries that were related to the litter problem only. For instance, you wouldn't tax the Boeing Airplane Co., but you would tax the department store because the department store puts out the materials that are in bags, sacks, toothbrushes, and so forth that end up in ...

Senator Kelly: So, you're much more restrictive.

Mr. Murphy: But we couldn't do that in your State. Yes, but we tried that in your State, we really tried hard to come up with that kind of a tact ~~approach~~ but because of the number of people in your State, ~~we had to do this in other states, we couldn't,~~ we just couldn't, it was impossible. But the one you've got now, I think is really very good.

Chairman Sturgulewski: Senator Rodey, I think we cut you off before you were finished there.

Senator Rodey: No.

Chairman Sturgulewski: Did that answer your question?

Senator Rodey: I think it did. Evidently you have a very, ~~low~~ lower per capita cost than we do, which I think would be natural considering the situation of Alaska and

the situation of, really the two questions that I'm concerned about, first how efficient and effective can that litter program be and then secondly, how much will it cost us and I think that's all legislators ..... and those two points aside.

Chairman Sturgulewski: Mr. Murphy, do you have any further response to that?

Mr. Murphy: Yes. He says, o.k., Murphy, you've got this program down there and you haven't told me what it's worth. Isn't that what you are saying? I think that's what you are asking.

Senator Rodey: That's what you are saying.

Chairman Sturgulewski: Would you like an answer to that question?

Senator Rodey: I think so, because, that's why I asked the cost worth and that's one part and the other question is how much are you getting for your money?

Mr. Murphy: Right. O.K., is it worth it? We started out in the State of Washington with not, you see when you start out in the State, how do you find out how much litter you have in the State to begin with? I don't know how to find out, so we had Booz Booth, Allen and Hamilton make a study for us. It cost us some $70,000 back in those days to tell us what to do about this program, what the ....., how to get it started and what have we got here in the way of litter, so we can see if we're making progress later on. They came up with a figure that we worked from, and according to the figures that have been done by outside measuring outfits, we have had upwards of a 60 percent reduction of litter, from what we would have had. Now, if you go to the State of Washington on a given day, Senator, I want

you to notice, when you go down a certain highway on a given day after there has been a summer tourist season on the 4th of July, and that road hasn't been picked up, you're going to see litter. But if you do it on a routine basis throughout the State as a study ~~not attempting to be done~~, and honestly as we know how to have them done, the State knows how to have them done, we have had a tremendous reduction of litter. We haven't solved it, I don't think we will ever, all the litter problem, but we have made a tremendous reduction, and we are very proud of what we've done. So I think it's worth the effort and the money.

Chairman Sturgulewski: Further questions?

Senator Rodey: Just one comment, it would be interesting if we knew the perimeters of our litter problem, in the State of Alaska.

Mr. Murphy: It would be very difficult to start out with because you're starting with 100, well 50 or 100 years of accumulation and you know you have to get a handle on it.

Chairman Sturgulewski: That's discouraging. (Laughter)

Mr. Murphy: Were there any other

Chairman Sturgulewski: Mr. Murphy, I do have one specific question. The way the Advisory Council is set up, it's completely composed of business people and I have had a number of questions raised; and we've had that today about the fact that we should really be bringing in, on the one hand we have the tchnicians, the other the broader public interest; and there's, true, the commitment of industry to make it work, but what's your comment as to how you bring in the various groups that

have an interest in this?

Mr. Murphy: I don't want to speak for Senator Colletta, so I'm speaking personally; and I don't even know whether he'd agree with me or not, haven't the slightest idea, and I also want to level with you. I think part of that was put in there, I can't say this for sure, but put in there for all business because business was very concerned that this might get out of control, if you got the wrong people on the Advisory Committee and tried to use this against them. I think that was a frightening thing that they put in here. I, myself, would say personally, I'm not really speaking for the rest of the business in Alaska now, I, myself, would say, you ought to go ahead and put some other legitimate interests in here that want to solve the litter problem and not attack something else. You understand what I mean, I'm sure. Yes, that kind of an approach and some safeguards for the voter, you've got to pay a tax and in this case it's all business in Alaska, so if they don't get overwhelmed, I say to try and strike a good balance. The other reason we'd like to see business on there with a good say is because we think business should be committed to make this program work and if they are on there, in strong force, then they have a chance to really make it work.

Chairman Sturgulewski: Thank you for your comments. Any other questions from Mr. Murphy? Thank you very much. We have a dual, I believe they wish to appear together, for the State Chamber of Commerce, Lou Harris and Don Dickey, is that correct? And following that, the last person I have on my list here would be Commissioner Mueller from the Department of Environmental Conservation.

Mr. Dickey: Madam Chairman, members of the Committee. I am Don Dickey, speaking on behalf of the Alaska State Chamber of Commerce. The idea of a comprehensive recycling or litter reduction program is, I think, is not only commendable but not

new because for a number of years, dozen or so, Chambers of Commerce throughout this State, and some of your home committees have been carrying on, as you know, very aggressive and progressive programs, as has been testified to before. However, the problem with that, our own community here has on one or two occasions national .... and yet it seems to have no, it's like a (~~senate bee~~ centipede?) with a hundred legs and no head to it, there doesn't seem to be any coordination Statewide, there are some areas le t out completely or not motivated enough to get started, and so I think the idea of looking at a comprehensive program with this magnitude has merit. I share, I was pleased to hear the Senator mention that, Rodey, his concern on the cost because certainly as business people, we share that at a time when the economy is not particularly booming. At the outset, in the original bill, as you know, it was tied to a gross business, gross receipt tax, having, or from I have heard 18 to 20 found that the greatest thorn in the side of the business people, the inequities of that tax, which are now repealed. I was not anxious to lead any movement that would possibly get that back on their backs; and so I felt that method of financing was objectionable, and I so stated to the Chairman, Senator Colletta, and others, who were involved in this. And I am very pleased to see the substitute, which is being proposed and the method of funding. I think it has two virtues as I look at it quickly. One is implicity (simplicity), and there are only four steps; and second, which is important, equity. As for the funding method, asked about raising money, as I see the new proposal, you are asking only the $25 business license now required. Those in the lower income brackets, more volumes of business(es) would asked only to add $5, second step takes it up to 10; and I understand from State figures of about 33,000 business licenses that 73 percent of all those licenses would fall within the $5 or $10 brackets. As far as the increase would go, where they are paying 25, now 30, 35, so two out of three businessmen in Alaska would only have to contribute no more than $10 a year. And I don't think that's unrealistic at all. At the very top of that spectrum,

the fourth step proposal in your bill, businesses having over a $1,000,000 gross volumne, I'd say, and there's only seven percent in the State, but with this small amount would only have to pay $75 more than they are now paying, or a total of $100. So at that top from going up $5 step up to a hundred, I don't think its excessive. I would like to start with the philosophy, and we have discussed, you and I, Senator, and others, the idea that its a chicken and egg thing ~~do~~, should we tie the tax and the funding to those people who contribute to the problem? And my responses, while that sounds logical and commendable, I don't think there are enough soldiers here or in China to police everybody that contributes to the problem; and I am going to propose, and we are taking it from our viewpoint that all of us contribute to the problem, all of us should contribute to the solution. So, I think in this manner, instead of trying to pick who threw the most out at the wastebasket, or if it's a professional man, or chamber type, all of us are either someplace, either in the picnic, or in the cars that are potential contributors to the trash problem. So, I think it's logical that all businesses be asked to contribute to the solution. I also say, and commend the Committee, ~~for a better~~, for this step which in no case would anyone have to pay more than $100, which is only a $75 increase in over a million dollars; and I think the small merchant who has that tough problem is protected with the $5 step. Commenting on some of the other factors, I naturally, again getting back to the funding factor, I am not only pleased to see, but we'd be considered a watch d to make sure that this action not include for administrative expenses that exceed 35 percent. I think that's most important. I don't feel we have enough money in this State, or Washington State combined, to pay for all of these functions; nor is that suggested as I read this. What I think we need is to encourage, stimulate and not duplicate but stimulate voluntary services that are already existing; whatever you want to call the youth corp, boy scouts, girl scouts, civic groups, organizations of that

nature, who long and hard have toiled at the collection and reduction of litter. So I hope that would be considered and that factor would be watched and the goal met. As far as grants to the existing Advisory Committee, it has been suggested that that seven member proposed committee be expanded; and I would, I believe that's realistic. I would concur with previous witnesses, Virginia and Mr. Murphy, that that has merit. Certainly we shouldn't draw a circle that excludes anybody, we should make it big enough that it includes everybody, provided they share the same goal and that's to clean up litter. As far as numbers, I have no magic proposals, I do think it should be ~~so~~ small enough that it's practical if they meet somewhere, and not be a complete troop of them, if they have to go. Having served on, a number of occasions over the past two dozen years, on State boards and commissions, I feel that the proposal of the Council meet not less than once every three months is perhaps unrealistic and may be unnecessary. I have, again, no magic figure to substitute, but twice a year probably, and maybe three. But I think merely the cost of that and the getting together, with the size of our State, any of us who have served as most of you have on various boards and commissions, I don't think it needs that much policing. As far as the receptacles, I know that, I think what is being proposed, and I have, well being Irish, I'm not going to propose green berets, or red, or purple, or even brown for the Hickel establishments, I'm merely suggesting that we would probably save some dollars, to get what they are using in Idaho, or in Washington. If we could order them in volume; and if all we do then, if we merely use our own oil barrels, but as has been suggested, use some decals from Alaska, so that the symbol is used on them, I think that would be a saving and it would also be an educational step for children or old folks to know that that's where they are to throw their refuse, trash. ~~The, on, I note that there are,~~ there is proposed also grants for public agencies, private, and also civic groups, municipal ~~or gym~~ types, and I think, whereas Anchorage particularly, Juneau to a lesser degree, Fairbanks, some others, have

had very fine clean-up programs. I think nothing should be done to discourage those, or minimize the voluntary help. It should merely supplement, and as I read the bill, that's what they propose to do, and I think that's good. As far as youth corp, and I know that's, gets to be a touch word on what we mean, I have no clarifying definition, but I think the key to this thing is getting young people involved. That's where it's at, and that's where we're really going to get to them to work on whatever banner, and I think these folks are more dedicated than the parents, in many cases, and that we should certainly utlize them, and the need for some job training and distraction from other activities that is perhaps not as desirable would come from having an opportunity for young people who find it tough to find jobs to be involved in some of these positive steps. So, I do hope it is encouraged in some other manner. Certainly the idea of issuing bags and things, some has been done already, I feel that there are motor registration or others, your cars, and your boats, I think has merit and also the receptacles. I had noted also on the, as far as there has been some contention in which Department, it should be placed, I am not quite as concerned with that. I think the most important thing is to determine the function. And the achievement of the goal is the desire and not who's favored agency gets to run it. I think the real accomplishment, and the thing I'm also pleased to see, that it has, and Senator Colletta at the offset testified, has a self-destruct clause that in three years he has enough confidence, and that's how we would look at it. Let's make corrections where needed, and if, at the end of three years it produced nothing, or little, too little, then I think it should self-destruct as is proposed. But I think that's a very favorable factor and I also would like, getting back to the financing end, the fact that apparently the proposed budget, and I only had a second to look, but the, starting at about 600,000, and if it could be done for less, I would encourage that too, but I see for the three-year period, but it's proposed that they indicate to us that they'd expect to raise under this four-step funding method on the license,

about $668,000, and that appears to be an adequate money to carry it for three years. I think we would make a major mistake, in our public relations for the business people, if in about a year and a half, we have to go back and .... and put another tap on it. So, I think that three-year funding and I hope, I have no idea that is correct, but I hope that, all the costs the Senator brought up are considered in there and that we don't find an overrun which finds us having to come back because that would be twice as tough ~~as it is in the past.~~ I certainly, for one, and it has been testified wouldn't take my time, nor yours, to try and come up to suggest some cosmetic approach. If this is a comprehensive, everybody-get-to-it approach Statewide, including the bush, and everywhere else, I say fine. If we all get our shoulder to it, I think we can make some accomplishment, so, even though the cost is involved, I think this substitute is a reasonable approach to it and appreciate the chance to talk.

Chairman Sturgulewski: Don't go away, just a minute. Questions of either of you? Senator Kelly?

Senator Kelly: Yes. I'm somewhat chagrined on that you've taken such an easy approach onto the restablishment of the gross business license tax in the State. You know, we have, I suppose a philosophical difference on how do you fund a bill of this nature assuming that, you know, we feel that it's comprehensive enough to mean anything. Washington, obviously, as Mr. Murphy testified, goes a different route and what they're saying, I assume like something those businesses who contribute the most to the problem are picking up the tab. In Alaska we're saying, in essence, that everybody contributes to the problem, and that, but the businessman, be it the small businessman that might not in the least bit contribute to the problem, will pick up the tab. We're opening up the gross business tax again, and aren't you all worried that once we open it up and begin taxing on licenses

again, that it will just be a simple step each year, just to increase it each year?

Mr. Dickey: No. I think that's a real possibility and I testified at the offset that we were not favorable when it was tied previously. If you recall, Senator, when you look at the proposal, there's a litte difference. I guess it's kind of half horse, half rabbit, you're asking me which I like of the two, and what I'm saying, I prefer this to the previous one, which would have put at the top a fine or a fee of $25,000. So, I'm saying I like $75 better than $23,000; so in proportion I think it's a much more realistic bill. I share your concern, and the possibility that this could be a vehicle to get back in the gross business license tax, which I would spend my fulltime agruing against it again, as I have for 18 years.

Chairman Sturgulewski: Senator Kelly, any further questions? Senator Rodey?

Senator Rodey: Just one. Where would you draw the line, Don, in terms of Chamber support for this legislation in terms of cost? We, unfortunately have seen costs rise and in some cases, all out of proportion of what we had anticipated. Certainly you've been a spectator, as well as a participant in these activities, and where would the Chamber draw the line in that regard? We are talking about a six hundred, seven hundred ,000 cost. 600,000 - 700,000

Mr. Dickey: Yes. I have no magic figure. I did talk to Senator Colletta and the others. I expressed and repeat publically my concern that we are starting a little high. Now obviously the people in administration are saying that they can hardly do it for this cost, and I can understand it, what are you paying for and what do you get? I was basing mine, you have to have some bench mark, and I asked Washington

State, prior to Mr. Murphy's testimony, what do you have, five years of experience in Washington, or six?

Mr. Murphy: Actually we really got rolling in 1972, but we had started in 1971.

Mr. Dickey: Seven years. But my thought when he responded with that they started out there with about $600,000, and they are still holding, which appears pretty good based on their population. So, by comparison, I was hoping we could get more for less, I guess. Now, how that would be done, I realize you have to line for line go down for it to be done. But I am stressing that I think one of the ways to do it, is that people who come in, as I understand it, into these communities to help stimulate the clean-up of the river, or the communities, ... the problem, that there only be one or two stimulators from the State and that the rest of the volunteers, I don't think that everybody should have to be, or expect to be paid, or that the volunteers who were doing a good job in some communities, be discouraged and say why should I go out and do this for free when across the street somebody is getting paid for this and let them do it. So, I think that is a very real concern. I don't have a magic figure. I would hope that it would be less than this and somewhere, I'd say, under, we could do it for five hundred thousand, somewhere to start, and then work up. But I did stress to the sponsors and others, this idea that the three of whatever they fund, I hope for those three years, just from a sales point would be, would permit us to whatever growth is going to occur, and still not have to go back for seconds ..

Chairman Sturgulewski: I wonder, have you gotten

Senator Kelly: Let me ask, having spent 18 years in business, Don, and being as close to the Alaska political situation and the State Government budgetary process as you

are, do you reasonably expect that budget to stay at $600,000 for three years?

Mr. Dickey: No. Nor do they propose that in here. They say six hundred, six hundred seventy three, and I think in the third year, six hundred sixty seven. And as I point out the total, I'm only using their figures, but they say it will raise six hundred sixty eight thousand the first year. We hope that there will be more business licenses attracted to share this pleasantry with us, so that we can all contribute. But, so, what I guess my response, Senator, would be that it appears that figure is adequate even with the three steps and I also want to re-emphasize and say again that I am pleased to see and would be here to see how it turns out, but there's a three year self-destruct, because if that starts, as we are all a little concerned, if that starts getting into millions of dollars worth of program, then I think we might have very quickly have second thoughts or other methods of skinning that same rabbit.

Chairman Sturgulewski: Any further questions? Fine. I'll point out for the Committee. We have a little bit of a problem. Both Senator Kelly and I should be over joining poor lonely Senator Bradley, who's trying to run a meeting without a quorum. I wonder if I could get an indication, we've had Commissioner Mueller, who would like to speak .... are there others in the audience that wish to speak on the subject? Alright, we have a couple of more. Commissioner, would we do you, two options here. One, we could allow Senator Rodey to continue the meeting and we would then miss it, or we could take a very brief recess, and help Senator Bradley get a quorum and get established at an official meeting and then slip back to hear your testimony. What's your schedule?

Commissioner Mueller: I don't have a schedule, Senator ....

Chairman Sturgulewski: Could we, we'll take about a ten minute recess and then come back to hear the additional testimony.

Mr. Dickey: Senator, could I just

Chairman Sturgulewski: Just a moment, Mr. Dickey go ahead.

Mr. Dickey: Just a last burst of wisdom.

Chairman Sturgulewski: Oh, my, I can hardly wait. (Laughter)

Mr. Dickey: I would hope that the self-destruct on the bill would also tie with the self-destruct on the tax. (Laughter)

Chairman Sturgulewski: Very good. We'll be back in ten minutes. Thank you.

CHAIRMAN STURGULEWSKI: Calling the meeting back to order, I just might point out a couple of changes there are, some cleaning up and technical things. A couple of things I think are important are on pages in the old Senate Bill 2, we have added Sections 41, 21 and 140. You will find this in your Committee Substitute. It has to do with Federal requirements. If there are any changes in Federal requirements that would affect a portion of the bill, we would see that those particular projects, when in conflict obviously, would, when the State is in conflict with the Federal, that the State portion would automatically drop out, so the Federal funds could flow in. We have segregated out the taxing, the tax portion of this. It does not require a fiscal note; but again under the single subject, it needs to have a separate, an vehicle. We have done away with the non-severability clause so that this bill would conform to what the other legislation within the State normally does. There is a severability clause, where if a portion of the bill is found to be invalid, the rest of the bill stands. It, of course, is to hold as much as possible...

The Courts have moved to hold as much as possible, but the legislation will stay in effect, and that is a very major change. We have added a section that would allow for staggered terms of the Advisory Council. The way the former bill was, it caused for them to be, ah, complete changeover and a two-year period of time. I think those are the main changes other than housekeeping.

We do have a list of people who have signed in. We still have a sign-in sheet there. We would first like to hear from the prime sponsor, if we could. Senator Colletta, would you like to join us? Do we have any other members of the House or Senate that would like to move up to the table? Fine. Thank you. Senator Colletta.

Senator Colletta: Madam Chairman and members of the Committee. First, I want to thank you for taking such speedy action on a measure that is personally a priority of mine; and I would like to also inform you that my remarks will be relatively brief. I know the Committee panel, I have associations with them on a reoccurring daily basis, within and out of the Legislature. And, I know that there is also an area where there is a great amount of visibility on this measure, but it would seem it would be well to refresh our memories as to how Senate Bill 2 is before us today. As you know, or may not, the litter act has been around for as long as some people have .... and worked very hard for a deposit measure. Since the original introduction of either of those two measures, the deposit or the litter reduction activity, times and circumstances have changed. Both bills now address themselves to a recycling finish, in addition to the reduction of the other. Maybe we should address ourselves to a speedy relation to the time available. We use what we pick up so, conceptually, I am very firm .... the election process. My convictions were from, by the people that possibly Senate Bill 2 offered, at the very least, an opportunity to try something that would truly address a litter free environment. This is the deposit mentioned. I can't stress that strongly enough becasue I believe that it should play a very important part in your deliberations as to what you do with this measure. It's worth a try, it's completely industry supported; but most importantly, I believe it will create the first step, regardless of its volume collection in a process that's going to be a viable, a truly .... a litter free and .... that could all be put to use. I do not stand on the side of the upper ship on anything within the bill other than the conceptual idea behind the bill. The bill is a composite of many, many litter acts that are in effect in various states and the amendments that they have made out of actual work applications of the measure over ..... You will receive a great deal of testimony. I had an opportunity to be in the audience here. But, we both need your support and possibly in opposition too. I would also direct

your attention in even though your work drafts have already begun to make some changes and make it ... even more of a bill, that you also allow such a place which is a review and evaluation as possible.

Chairman Sturgulewski: Mr., Senator, I wish you would make note of that again. I think, I think that's an important part of what you indicated earlier on the bill.

Senator Colletta: The last capable work draft that everyone has, page 13, section 6, is really an evaluation provision. I personally am so convinced that based on other state's experience, that Alaskan's are not performing and I would be willing to gamble on time .... certain for a trial on this measure .... we do implement the measure, so, it. You know, the least anybody can do is try and I think at a trial, they will all have a better and happier place to live in without having an additional burden to the overall populace in the attempt to reduce litter and recycle, some of the materials that were used. Madam Chairman, I might conclude with that, unless there are specific questions that we, or any of the Committee wish to ask.

Chairman Sturgulewski: Any questions of Senator Colletta? Fine, thank you very much. I thought that it might be helpful next to hear from the Department of Community and Regional Affairs. They will have a major role, of course, in at least a bureaucratic point of view of seeing that this bill is carried forward. And, Commissioner McAnerney is here. I believe you would like Eric Lee to talk to us today?

Commissioner McAnerney: (From the audience) Yes, Eric Lee is the one..

Chairman Sturgulewski: Fine. I hope that he'll, very good, thank you Commissioner, will speak to the fiscal note that is attached. We have a tax bill, but it doesn't indicate how much will be available for a program. And, if you could identify yourself for the record, we'd appreciate it.

Mr. Lee: I am Eric Lee, Director of the Division of Community and Rural Development, with the Department of Community and Regional Affairs.

Chairman Sturgulewski: Would you introduce yourself for the record?

Mr. Kanouse: I am Dan Kanouse, Program Coordinator for the Division of Community and Rural Development, Department of Community and Regional Affairs.

Chairman Sturgulewski: Fine, thank you. Go ahead, Eric.

Mr. Lee: Madam Chairman, the Department is basically in support of the concept obviously of staying a litter-free State in the reduction of litter in the State of Alaska for ..... possible. In looking at the original draft of the bill, we, of course, have some comment and some concerns about the language; and as Senator Colletta mentioned, the concept is, I think representative also a bill that has a working language that will enable the Department to successfully work on that, the bill. So, to get into that, I do have several items which are somewhat of a technical nature to be discussed later today, or at a later time; whatever is the pleasure of the Committee. I can briefly mention what some of those are in my remarks, if you'd like.

Chairman Sturgulewski: Eric, I think it would be helpful to point those out, the areas of concern. We would probably hear some of those mentioned a number of times;

but as far as specific solutions to that or suggestions, you might hold that until another time.

Mr. Lee: Right. There's a cause of concern that the cost of the program are covered by the new revenues generated, and I've not had the opportunity to examine the new revenue projections, but our fiscal note is based primarily upon the old bill projections which was provided to us. The fiscal note which I can't find, probably do have a copy, got mixed up.

Chairman Sturgulewski: You do have copies.

Mr. Lee: Fine. The, we did make several assumptions, in developing the fiscal note, and I think some of the assumptions are important, and we certainly would like to be corrected if our assumptions are at fault in the change before the Committee. The first recommendation we have in the, we make, did make an assumption in that .... was that a new division not be created. That is is an unncessary probation of the bureaucracy and in fact that a highly visible program within an existing division, within the Department, would be just as advantageous, and more economical in terms of the cost being put into it. The other assumption is that a central location of the program would be located in Anchorage and that there would be a field office in Juneau and the cost developed related to that. We made the assumption that local communities are concerned about implementing the comprehensive litter reduction program and that our Departmental staff will provide them with assistance and guidance and coordination from their efforts. We do not intend to be available to solve the problems ourselves and in that section, local communities will be participating very actively. The assumption that the program in the local communities will eventually become self-sustaining. The language of the initial bill indicated an administrative cost a little over 35 percent, and

our assumption was that administrative costs are defined as those costs which are not directly related to the program. A program costs something close to administrate, but some program costs may be salaried, salaries of those people who 100 percent of the time are coordinating with the communities, We, simply do not define as administrative costs. We assume an annual present rate of six percent. Getting back to the first page of the line item layout of the ..., our estimation is first primarily, what we did, Madam chairman, is to take the revenue projection and try to tell you what we can do with that amount of money. So, the first years expenditures, next year would be $600,000, total expenses. I believe this was in line with the original projection. Of these $600,000, we have broken out on the second page the line item project for you. We are talking about the staff of eight people, includes clerical staff, there is a staff chart provided on the next page, and the information offers high level information officer educational type person who heads the section supported by a clerical staff and four professional field people who would be working in the field with the local communities to coordinate the activities of the program. In the 1981 projection, we have added one more position, that is a fulltime position as a recycling coordinator. In our discussion with other states, who have been involved in this, have indicated that that position would, is one that would not really need to be, could not possibly be a fulltime position until the program is on its feet going with ..... development kind that makes it what it was .... someone to coordinate the recycling efforts at the same time, so we have added at least one position, in 1981. The other .... as we go down through involves some travel, which is going to be necessary for the staff to participate with the local communities. The Advisory Council which is created, the travel and per diem need to be paid and that is indicated in the fiscal note. We get into the basic communications costs, space costs .... based by the standard cost of the Anchorage area and the Juneau area, and so we couldn't note them. Another large item in here is $75,000 for commercial and educational type activities. We have listed in ..... perhaps as a

major item. This is obviously a flexible .... of the things the Interstate Commerce has been wanting to know, advantageous methods of information assimilation, commercial being one of the objectives and that is why the budget is why it is. Jumping down to the base of equipment and commodities to operate the number of bodies based upon current standards; and the grants sections would be direct grants to communities for the various sections outlined in the bill. I will be more than happy to try and answer any specific questions .... and the fiscal aspects of it.

Senator Rodey: My question is very simple. In June of 1978, in a Community and Regional Affairs memo, the estimated cost of the bill was 2.6 million. There has been a significant reduction in the cost of the bill in that time without an apparent major change in the bill. Could you explain to me why the tremendous decrease in the cost of the bill?

Mr. Lee: O.K. What we did, and it wasn't, when we were talking about that part, was to develop a handle on what the cost essentially, to do everything that everybody else is doing. And we contacted other people, and various states have different programs. One major thing in that section was the Youth Patrol, which the State of Washington has. The State of Washington funds that Youth Patrol one hundred percent. They actually hire hundreds I believe, of children, youth who actually go out and pick up the litter. They pay for that out of the general fund and that was over a million dollars in that portion. So, if you want to fund a Litter Patrol with State funds, the language in here does not indicate that. It indicates that we will be using other sources of funds for hiring that type of people. That was one of the major functions. Additionally, we were trying to say what is the , what cost would it be if we had the Rolls Royce of a program? In our discussions with the sponsor and with others .... what the revenue projections were and the fiscal, and we concur that the cost of the program after that ....

~~to revenue~~. What we were saying now is that is what we can do, and what we ~~are going to~~ will do with that amount of ~~dollars~~ money, and ~~spare that~~ scale it down accordingly.

Senator Rodey: Madam Chairman, just a comment. The Litter Patrol is, of course, still in the work draft that we have. The estimate of revenue by the Department of Revenue last year was $890,000; and, if I'm not correct, and, do you believe that would be a reasonable amount of money to support the program? We, of course, see programs proposed to us and invariably they come back to us more expensive than when they started out. And Community and Regional Affairs has been one of the most responsible departments ..... criticism on Community and Regional Affairs; but I am very cautious about this.

Chairman Sturgulewski: I might add that, one little comment, Eric at the beginning indicated that you have not, with the new proposal on the tax bill, had an opportunity to review your fiscal note. There was a high and a low and there are, there was a little bit lower amount from the smaller businesses put in the tax bill that has just been laid on your table and obviously you haven't had an opportunity to, to look at it, nor perhaps Eric Lee. The amount of revenue projection is approximately $680,000 from this ..... There was one .... that had the full $10 right at the beginning scale. It would have brought it up into the range that you are talking about. That's without a new fiscal note, that's

Mr. Lee: .... our original fiscal note is ... benefit our revenue projection than, perhaps the new bill. We were working with approximate figures at that time.

Chairman Sturgulewski: Senator Rodey, any further questions?

Senator Rodey: One further question, Eric, do you handle any other litter control

programs within the Department, or programs relating to refuse, or

Mr. Lee: No, we do not.

Chairman Sturgulewski: Any further questions of the representatives from the Community and Regional Affairs? Just one question, if I may, were you going to go on to some structural areas, fine.

Mr. Lee: That's why, I was going to say if you'd like, I'd continue to communicate on this thing. Some of the structural proglems that we had, that I was, some of these things will need further investigation and we .... carry on .... discussion to ... to determine the impact as well ..... The Department of Environmental Conservation, I don't mean to speak for them, have indicated to us that they have concerns about the language, which may preempt all other statutes dealing with litter and perhaps lose some of those that we don't want to see removed, changed. They, I would like a further clarification of the definition of administrative costs because if our personal services are considered administrative costs, you are not going to get this type of program, for 35 percent of the total.

Senator Kelly: Mr. Lee, why was the, your Department selected to administer the program rather than the Department of Natural Resources, for example?

Mr. Lee: Senator, I could not answer. I suggest that the original sponsor and the ..... The language referring to three months after fiscal year to determine the report is a bit too restrictive, because the books don't actually close for a couple of months after the end of the fiscal year and we would like to see an extension of six months, rather than three months.

Chairman Sturgulewski: On that point though, that would mean, the possibility then, of that program not possibly getting, would that bring it back before the Legislature for that immediate year, then?

Mr. Lee: It had, what occurs now, we have a similar type of situation with the day care assistance program, which we administer ..... Legislature, and we have that report prepared and ready for the Legislature before it convened in January. And three months after the first of the year would be October and, it would be, fiscal would be very difficult because the time frame and close down of all the books. We are somewhat concerned about the Department's ability and mechanism for receiving and expending contributions of either cash or in kind in terms of the day-to-day operations. We have not had experience in this area and would like the language establishing so it is clear that the intent that we can take in gifts, donations, and turn around and spend those on behalf of the program. There has been some concern indicated to us from other states that if you absolutely mandate a specific size, color, shape of a receptacle, that they have a lot of difficulty in the public relations aspect getting some of the businesses to support that, because they may have spent a large amount of money on the decor of their building, and you want to put a purple trash barrel alongside of their blue building, they would object, so we would like to see a little more flexibility, perhaps in that language. Also, we are somewhat concerned, would like some further investigation on the impact of the dollar smounts levied on the .... This would, like at least some indications as to what is expected and the intent of the establishment of the fine ...., it appears in some cases, ... fines have been reduced and we are not sure if that is the intent. Another item we would like to see added to the available use, for the general use of the grant money to municipalities, and would like to see that, allow them to also purchase .... purchase the required receptacles, and so forth, that is their primary need, and the current language .....

Chairman Sturgulewski: Eric, in that case, are you thinking of smaller communities where that would be the difference of the beginning of the program?

Mr. Lee: Yes, right. If that, that's the primary need, and primary situation, they have no other basic resource, we will, at least, have that be a possibility. I don't think we want to see that because the sole use of the grants at all, we certainly do not support that idea.

Chairman Sturgulewski: Other questions of, you might have of Eric Lee? Were you going to be giving some testimony today, or are you here as the back-up man?

Mr. Kanouse: .....

Chairman Sturgulewski: Fine. We'll obviously be having work sessions on this, and we appreciate your testimony. Senator Kelly? Fine, thank you very much. The next person to sign in was Chris Foster. I don't in all cases have the organization that is being represented. Oh, and Virginia del Piaz, if you'll introduce yourselves for the record, please?

Ms. Foster: My name is Christine Foster. I am appearing today as a member of the sponsoring committee for Ballot Proposition No. 5, in the 1978 General Election.

Ms. del Piaz: And I am Virginia del Piaz. I was Chairman of the Ballot Proposition Chris was speaking of, properly known as the Alaska Bottle Bill Initiative. We'd both also like to state that it is general knowledge we are legislative staff this Session. We have received permission to testify on this bill. O.K. Last year, or several years ago, we undertook an initiative drive to place a proposal for a term

of beverage container legislation before the public, because we were concerned about two problems. That was recycling and litter. The initiative was defeated in the November General Election, but our interest in addressing these two important problems has not diminished. It is our hope that the Legislature will give serious consideration to making any new program the very best possible for the State of Alaska. We are concerned that any legislation deal meaningfully and not just cosmetically in this problem. In that spirit we would like to make a few suggestions on this bill. We did not have the Committee Substitute to look at when we read the measure before us, so some of this might be a little out of line in sequence. Probably the most important thing we'd like to suggest to the Committee, and this is already somewhat been brought up by the Community and Regional Affairs, is that this program would most appropriately be administered under the Department of Environmental Conservation, rather than the Community and Regional Affairs Department. DEC has the existing litter control measures, it has solid waste management. In general, as a division, as a Department, DEC is the lead State agency for solid waste management planning, the regulation for enforcement, for technical assistance, both under the State law and the Federal 1976 Resource Recovery and Conservation Act. DEC already distributes litter bags, they've already done litter surveys, they provide local assistance to governments, they also promote the Alaska Clean-Up Month, which I believe is the month of May, and have done so for a number of years, and have also been involved in policing television spots and other public literature. So, it's pretty evident that this particular agency has been involved in this type of thing for some time and it is our feeling that they would be more of an appropriate agency to deal with this program. The lead, as it should be, and should continue to be with the Agency most logical, which would be DEC. It could be put, as was also suggested by Community and Regional Affairs in an existing division, in DEC, which would probably be their Terrestrial Programs division. That

already handles most of what the proposed division, of what this legislation needs, would handle. Secondly, the section of the Advisory Council, whereas you have two different ways of working with this. No. 1. If you are going to move the program to DEC, DEC already has an existing Advisory Committee that could very possibly, easily expand their charge to the concerns expressed in this bill. This would, to our way of thinking, be a logical extension of the need to DEC, of course, and also there is existing funding, and so forth, for this particular Committee. They are very well constituted, they are a working Committee, ~~they're,~~ they are used to dealing with these things and they're very familiar with these types of problems, so feel that this would be the more logical way to go. But, if the Committee decides to keep the program in the Community and Regional Affairs, we feel the Advisory Council should very definitely not represent just the same interest group, as is currently there, which would, on page 4, lines 7 through 10, Section B, on the old bill. ~~Some of the~~, We feel, that it should be expanded to ~~and for a~~ different interest groups rather than just the businesses. And some suggestions might include a public member, members of the education community that deal in education in the State, local government officials, perhaps a rural representative, somebody from the recycling group, youth groups are involved in this, obviously, of course, some type of business representative, possibly one from a consumer group and environmental group, or for service organizations which have expressed quite a lot of interest in this bill. We'd also suggest that they don't need to meet as many times a year, possibly twice or three times, rather than four or more times, would be adequate and would also help on the fiscal implications of per diem and travel. On the proposed Litter Patrol this, in following this bill over the years, has changed quite a bit. And in the current bill, the duties and purposes of this Litter Patrol are very vague and not very well specified, and so we suggest that this be a lot more truly tied down

clean-up drive conducted by local agencies, private organizations or service gruops, even volunteer help. Now this is something that already does exist in the private sector ~~of the~~ with the volunteer effort, and we just wonder at the wisdom of using State monies to fund something that is already essentially being taken care of in the private sector. And fourth, any other public information that is selected by the division including the use of media. As I mentioned earlier, ~~there is already a,~~ DEC is already doing some media spots against the litter and I think everybody familiar with the National ED Council, TSA Time, which you see on television and hear on the radio quite frequently, so feel this in a large part is already being done. The fifth and sixth one, speak to No. five, the expansion of existing and creation of new source separation programs, and six, expansion of existing and creation of new community recycling centers. This, as I said once, that this might more appropriately be under a loan program, because it is speaking of capital expenditures for structures, and so for equipment, and that this might be more appropriate for that particular type of program. And the last one, seven through ten, felt that these might more appropriately be under the section that gives the charge to the division, whether it's in DEC, or C/RA; but this is essentially telling them the things they should be working on and they are, in fact, pretty similar to what is charged to the division. And the litter control assessment, which was in the original bill that we were dealing with, and now you have separated them out, but our point still remains pretty consistent. No matter how this assessment, or tax, or whatever it is to be called when it's done, it should be tied to the amount of litter generated by a business. There should be some relation there between non-litter generated to the tax put upon a particular business or operation. Now, we'd like comments and suggestions but what we offered haven't been real specific and we don't have the language drafted, but we'd be more than happy at any time to work with the Committee on

to what their purposes are. And also, just make the observation that if this is to be an effective part of this program, it would probably have to go pretty large in order to cover a State the size of Alaska, so there might be some problems with the ways it's constituted. We would like to make a comment on the grant section of the bill. If this is to remain, in fact a grant section, we suggest there be some definite limitation on the grants indicated in the bill. As far as we could see, there was no limitation or lower limitation on the grants to be made. But, actually, when you look at the things as they are listed and there are ten listed, they break down in a different way than just getting grants. No.'s one through four are pretty much already existing; and five and six could, I think, very effectively be made into a loan program, either with one existing, or create a new one; and No.'s seven through ten could be done by the Department or the division, or could be subcontracted, or could possibly be grants, if this was deemed one. I would like to go over them briefly to explain how we came to that conclusion. The first one goes with the instruction at the distribution of informative material to elementary or secondary schools, and so forth. This is already, there are a lot of sources for this already, mainly for Keep America Beautiful program and some through Federal programs. We feel this in a large part already does exist. The second one, purchase and erection of roadside signs. This one is pretty vague, and to give grants for this is really duplicative. There ~~are already,~~ is already an existing statute for the address of roadside signs for littering and that Sec. 19.17.010, which states, very briefly, a Commissioner of Department of Transportation and Public Facilities shall place a sign near State boundaries, each primary and secondary highway which informs the public of the prohibition against ... ~~and~~ highway littering and shall place some more signs at other locations within the State when considered necessary. It was our though, ~~that this kind of,~~ it's already covering that contingency. Third, the organization, operation of the

specifics. We do have specific language worked for the loan program, if you'd be interested in that, that's why we've done possible language.

Chairman Sturgulewski: We definitely would want that information. Any questions of Virginia?

Senator Kelly: Just one. Virginia, are you satisfied with the recycling provisions in this bill?

Ms. del Piaz: Quite frankly, there aren't too many. I would certainly like to see this strengthened. There is quite a lot of interest going on with that, in this State currently. I know Anchorage is getting started with the program and I think this would have to be strengthened. I don't have any specific suggestions for you right now, but we could certainly work on it.

Chairman Sturgulewski: Other questions? Chris, did you care to give testimony also?

Ms. Foster: No, Virginia covered all our major points for both of us.

Chairman Sturgulewski: Fine. Thank you very much. I think a very major basic issue has been raised, and I am sure there will be other testimony. I wonder if Senator Colletta might wish to speak and I, to the reason for the designation of Community and Regional Affairs and also possibly to the Youth Patrol. I think those will be of interest to other groups and I know the Committee will be interested.

Senator Colletta: Madam Chairman, yes, I see that Senator Rodey raised those and if you will recall in my introductory remarks, I stated the bill hadn't had a great evolution because of that hitting us occurred over eight years of implementation. Community and Regional Affairs was picked for .... reason. This is not a State bureaucracy. This is, for all practical purposes, a people's activity; and who thus can do that, but the agency that's dealing with people on a daily basis; as is their prime charge of community and regional affairs. DEC is limited in their scope, although they have activities Statewide, it's not a normal reoccurring daily function. They go and .... on specific issues. Department of Natural Resources, the same way. They have Statewide responsibilities, but they don't work on a daily basis Statewide. The Litter Patrol, the fiscal note that Senator Rodey alluded to, has been a source of controversy from the day it was requested, and ironically, and for your information, it was never requested by myself. It was requested by those who were in opposition to the Litter Act; and I don't wish to open up that controversy. But that's where this 2.8 million dollars came from. At one time, in the course of introduction, Commissioner Max Brewer, from DEC, had suggested to me that he had some approximately 40 people, that he would delegate an additional responsibility to. Somehow, or another, 40 people got into the act that we were going to start funding and paying. Put 40 people on the payroll. This is the intent. The Youth Patrol is very much alive and ... In Anchorage I would suspect they have no less than 2,000 youngsters in a Youth Patrol. They are being run through nonprofit and civic organizations. They are not State employees. You can interpret any kind of wording, in whichever manner you wish, to fit the need that you wish. I would like to take the latitude of thanking Virginia and Chris. I offered an invitation, when it became .. on election night that this was not a victory for those people who, philsophically were in tune with me, I offered an invitation to them to cooperate to make this a workable bill. And, I'm now happy that they have come forward to do that.

Chairman Sturgulewski: We'll appreciate it as a Committee and certainly use their services. Senator Rodey?

Senator Rodey: Senator Colletta, my concerns, of course, the cost of the bill, I know you share that concern with me and the reason I referred to the previous memo, is because it is one piece of evidence that relates to the cost of the bill. And, I'm particularly concerned becasue the cost of the bill would be borne by Alaskan businesses, small and large alike, and quite frankly, I'm somewhat reluctant, perhaps reluctant in the extreme, to put any additional burdens on Alaskan businesses this year. I would rather stand neck deep in the Gastineau Channel than to ask another burden on business this year. Certainly it's passed on to the consumer too and it affects all Alaskans in that regard. That's why I'm concerned about the funding because it will reach the point of making a decision; and if we do have a bill, of course, I would like to see the lowest possible fiscal note and I know you share that concern with me. And that's why I'm looking at some of the alternatives and also the funding of the Litter Patrol, which appears to be an unknown quantity at this point, particularly in, in future years.

Senator Colletta: Senator Rodey, it's apparent one of two things is occurring. Either you're not hearing me, or I'm not making myself understood; but I thought I had addressed that. The Litter Patrol is alive, it's not State funded. The Litter Patrol is comprised of youngsters who are assisting their parent organization in the earning of some dollars. It's a volunteer effort. The only paid individuals are those that the State will furnish to assist communities in accomplishing a Litter Act activity.

is assisting and hoping that the accumulation of that would be the central place for them, again benefiting them. They still sweep their own parking lots and everything else. So, I don't think it's that controversial of an issue; it could be, but I doubt it, very much.

Senator Rodey: I'm not sure it is controversial, Madam Chairman, and perhaps we could hear from members present from these groups, or the Chamber on that and see if they have any question or

Senator Colletta: Madam Chairman. If I might have a,-I really want to clarify that Litter Patrol, I think maybe we're grasping at words. Originally there was a Litter Patrol; these were uniformed youngsters working for a State agency and so forth, but experience has shown that that's not the most practical way, because what you've done is just expand a refuge picking up activity, which just doesn't accomplish, and they have had greater success in utilization of the local youth.... instilling the pride in each community.

Chairman Sturgulewski: Senator Rodey?

Senator Rodey: Madam Chairman. I'd be happy to work with you, Mike, on this and redo the language, because the language Litter Patrol is still in there, and we need to redo the language in that section because it's a bit unfair to me. I think you're absolutely correct, certainly we can look at Europe and see what they have done to be at these means, that, some of the, which are very traditional.

Chairman Sturgulewski: Thank you. Are there other questions? Thank you very much Senator Colletta. The next asked to testify, Mr. Gravo and Ms. ....

Senator Rodey: Madam Chairman. Let me point out, though, that in, nowhere in the bill does it say that, it merely says that the division shall adopt mandatory requirement for adoption of regulations which established the Litter Patrol; and I think it is something we ought to consider in our draft. And certainly in our work on bills, I find your assurances to be absolutely gold plated. And I think this is one of the things which we need to deal with in the draft of the bill. And, let me bring one other concern up. There is, on page 6, Section C, ~~it~~ places the responsibility on people owning or operating in a public place and that does include ~~a very category; and includes~~ a great many businesses; if perhaps not most businesses in the State of Alaska, certainly all retail businesses. And, it deals with a question that Eric mentioned earlier; and that requires the businesses to procure, place and maintain those receptacles at, should be at their own expense, after their own expenses here. What reaction have we had from the community in regard to this? This was alluded to previously.

Senator Colletta: I don't know if there has been any other specific language that it's probably six months ahead of what this measure hopes to accomplish. They have already through specific organizations such as the Chamber of Commerce implemented the litter and recycling activity, totally privately funded. It is my understanding in talking with the Chairman of that activity, is not a probability the only assist that he would want out of the passage of this bill, would be the educational aspects and conceivably, on occasion, a little bit of receipt money to tide them over on some of the contractual things that deal with the nonprofit organizations in the pick-up of litter. But the responsibility you are referring to in Section C, Pat, I don't know how to answer that to you, other than the normal course of activity, they do have designated spots, receptacles now and the responsibilities for policing their own yards, still remains theirs. All we are doing

Municipality of Anchorage, or possibly a private citizen today, I don't know. Mitch?

Mr. Gravo: Sure. My name is Mitch Gravo. I am testifying as a resident of the Municipality of Anchorage. Litter is a major problem for the municipality and any legislation which helps us deal with that problem, we support. My comments will be very brief and they just deal with a few housekeeping matters. The first one, on legislative intent, suggest the Committee discuss the possibility of including the public sector also in that section, where you indicate encouragement and stimulation of private recycling efforts. For example, the Municipality works with, very closely with, the Chamber of Commerce on the program that Senator Colletta was just speaking about. Last year it was a tremedous success and this year because of the changes, new approach, I think it will be even more of a success. The Advisory Council possibility that not only the people are mentioned in there, be part of that Council, but also solid waste professionals also be included, people with considerable expertise. The survey section, you indicate that six months after the bill goes into effect there should be a survey to determine if its working. You might take a look at that, in that if it goes into effect in July, the survey would be conducted in January, and in Anchorage, all litter is covered up in January, and we see it in May. So, you might take a look at that.

Chairman Sturgulewski: Fine. I think that's more of a technical thing we do need to look at, because it was more of a question of when that program begins, and it's going to take a little time to get it underway. Good point.

Mr. Gravo: When you speak of, when the bill speaks of garbage or refuse, that's somewhat vague and our solid waste people suggested, quite publically, that perhaps

Calling the, ah, meeting back to order, I just might point out a couple of, ah, changes there are, ah, oh some cleaning up and technical things; but a couple of things I think are important on page of old Senate Bill 2, we have added, ah Sections 41, 21 and 140. You will find in your Committee Substitute. It has to do with Federal requirements, the, ah, if there are any changes in Federal requirements that, ah, would affect a portion of the Bill, ah, we would see that those particular, ah, projects, when in onflict obviously, ah, would, when the State is in conflict with the Federal that the State portion would, ah, automatically drop out, so the Federal funds could flow in. We have segregated out the, ah, the taxing, tax bill portion of this. It does not require a fiscal note, but again under the single subject .... it needs to have a separate, ah, vehicle. We have done away with nonseverability the non separate ability clause so that this Bill would conform to, ah, what the other legislation within the State normally does. severability There is a separate ability clause, where if a portion of the Bill, ah, is found to be invalid, the rest of the Bill stands. It, of course, to hold as much as possible The Courts have moved to hold as much as possible, but the legislation will stay in effect; and that is a very major change. We have added a section that would allow for staggered terms of the Advisory Council. The way the former Bill was,it caused for them to be, ah, complete changeover and a two-year period of time. I think those are the main, ah, changes other than housekeeping. Ah we do have a list of people who have signed in. We still have a sign-in sheet there. We would like first to, ah, hear from the prime sponsor, if we could, ah,

Senator Colletta, would you like to join us? Do we have any other members of the House or Senate that would like to, ah, move up to the table? Fine. Thank you. Senator Colletta.

Madam Chairman and Members of the Committee, first I want to thank you for taking such speedy action on a measure that, ah, personally is a priority of mine and, ah, I would like to also inform you that my remarks will be relatively brief. I know the Committee panels, I have associations with them on a reaccurring daily basis, within and out of the Legislature, and, ah, I know that there is also an area where there is a great amount of visability on this measure; but it would seem it would be well to ah refresh our memories as to how Senate Bill 2 is before us today. As you know, ah, or may not, the litter act has been around for as long as some people have pouted and worked very hard for a deposit measure. Since the original introduction of either of those two measures, the deposit or the litter reduction activity, times and circumstances have changed. Both bills now address themselves to a recycling finish, in addition to the reduction of the other maybe we should address ourselves to a speedy relation to the time available. We use what we pick up so, conceptually, I am very firm instruing the election process. My convictions were from by the people that possibly Senate Bill 2 offered, at the very least, an opportunity to try something that would truly address a litter free environment. This is the deposit mentioned. I can't stress that strongly enough because I believe that it should play a very important part in your deliberations as to what you do with this measure. It's worth a try, it's completely industry supported; but most importantly, I

believe it will create the first step, regardless of its volume collection in a process that's going to be a viable, a truly .... a litter free and .... that could all be put to use. I do not stand on the side of the upper ship on anything within the Bill other than the conceptual idea behind the Bill. The Bill is a composite of many many litter acts that are in effect in various states and the amendments/they have made out of actual work applications of the measure over ..... You will receive a great deal if testimony, ah, I had an opportunity to be, ah, in the audience here; but, ah, we, both, ah, need your support and possibly in opposition too. I would also direct your attention in even though your work drafts have already begun to make some changes and make it ... even more of a bill, that you also allow such a place which is a review and evaluation as possible.

Ah, Mr., ah, Senator, ah, I wish you would, ah, ah, make note of that again. I think .. I think that's an important part of what you indicated earlier on the Bill.

The last capable work draft that everyone has, page 13, Section 6, in really an evaluation provision. I personally am so convinced that based on other state's experience, that Alaskan's are not performing and I would be willing to gamble on time certain ... for a trial on this measure ... we do implement the measure, so, it, ah You know, the least anybody can do is try and I think at a trial they will all have a better and happier place to live in without having an additional burden to the overall populace in the attempt to reduce litter and recycle, some of the materials that were used.

Madam Chairman, I might conclude with that, unless there are specific

specific questions that we, or any of the Committee wish to ask.

Any questions of Senator Colletta? Fine, thank you very much. I thought that it might be helpful next, and, ah, to hear from the Dept. of Community & Regional Affairs. They will have a major role, of course, in, ah, at least from a bureaucratic point of view of seeing that this Bill is carried forward and Commissioner McAnerney is here, I believe you would like Eric Lee to talk to us today?

Yes, Eric Lee is the one

Fine, I hope that he'll, very good thank you Commissioner, will speak to the, ah, fiscal note that's attached . We have a tax bill but it doesn't, ah, indicate how much will be available for a program; and if you could identify yourself for the record, we'd appreciate it.

& Rural
I am Eric Lee, Director of the Division of Community/Development, with the Department of Community & Regional Affairs.

Would you introduce yourself for the record?

I am Dan Kanouse, Program Coordinator for the Division of Community and Rural Development, Department of Community & Regional Affairs.

Fine, thank you. Go ahead, Eric.

basically in support of
Madam Chairman, The Dept. is ~~based on~~ the concept obviously of

staying a litter-free state in the reduction of litter in the State of Alaska for ~~for~~ thing ..... possible. In looking at the original draft of the, of the Bill, we, of course have some comment and some concerns about the language and as Senator Colletta mentioned ah, ah, the concept is, I think representative also a bill that has a working language that will enable the Dept. to successfully ~~xxxxxxxxx~~ work on that, the bill, so to get into that I do have several items which ah, are of a technical nature to be discussed later today, or at a later time, whatever, is the pleasure of the Committee. I can briefly mention what some of those are in my remarks, if you'd like.

STURG. Eric, I think it would be helpful to, to point those out, the areas of concern. We would probably hear some of those mentioned a number of times; but as far as ah, ah, specific solutions to that or suggestions, you might hold that until another time.

LEE Right.

There's a cause of concern that the cost of the program are covered by the new revenues generated, and, ah, I've not had the opportunity to examine ~~xxxx~~ the new revenue projections, but, ah, our fiscal note is based primarily upon the old bill projections which was provided to us. The fiscal note which I can't find, probably do have a copy, got mixed up.

STURG. You do have copies.

Fine. Ah, The, We did make several assumptions, ah, in developing the fiscal note and I think some of the assumptions are important

be corrected if our assumptions are
and we certainly would, ah, like to ~~correct some that are at fault~~
at fault in the chance
~~in the ...~~ before the Committee. The first recommendation we have
that
in the we make, did make an assumption in that .. was/a new division
not be created; that, a, this is an unnessary, ah, probation of
the bureaucracy and in fact that a highly visable program within an
existing division, within the Department, would, ah, be just as
advantageous and, ah, more economical in terms of the cost being
put into it. The other assumption is that a central location of
the program would be located in Anchorage and that there would be
a field office in Juneau and the cost developed related to that.
We made the assumption that local communities are concerned about
implementing the comprehensive litter reduction program and that
our Departmental staff will provide them with assistance and
guidance and coordination from their efforts. We do not, ah,
intend to be available to solve the problems ourselves and in
that section local communities will be participating very actively.
The assumption that the program in the local communities will
eventually become self-sustaining. The language of the initial
administrative
bill indicated an ~~xxxxxx~~ cost of a little over 35 % and our, our
assumption was that administrative costs are defined as those costs
which are not directly related to, ah, to the program. A program
costs something close to administrate; but some program costs may
salaries
be salaried; ~~xxxxx~~ of those people who 100 % of the time are
coordinating with the communities. We, we simply do not define as
an annual present
administrative costs. We assume .. rate of 6 %. Ah, getting back
to the first page of the, the line item layout of the ...ah, our
first
estimation is/primarily, what, what we did, Madam chairman, is to
take the revenue projection and, and try to tell you what we can do
with that amount of money, so the, the first years expenditures

next year would be $600,000, total expenses. I believe this was in line with the original projection. Of these $600,000, we have broken out on the second page the line item project/you. We are ~~talking about the staff of eight people includes/the staff chart is a provided~~ talking about the staff of eight people includes clerical staff, there is a, a staff chart provided, ah, on the next page, and the information offers high level information office/type person who heads the section supported by a clerical staff and 4 professional field people who would be working in the field with the local communities to coordinate the activities of the program. In the 1981 projection, we have added one more position, that is a fulltime position as a recycling coordinator. In our discussion with other states, we have been involved in this have indicated that that position/is one that would not/need to be could not/be a fulltime position until the program is on its feet going with ... development kind that makes it what it was ... someone to coordinate the recycling efforts at the same time, so we have added at least one position, ~~in fact you need one~~ . The other .... as we go down through travel, which, ah, is going to be necessary for the staff to participate with the local communities. The Advisory Council which is created, ah, the travel and per diem need to be paid,/that is indicated in the fiscal note, we get into the basic, ah, communications costs, ah, space costs.... based by the standard cost of the Anchorage area and the Juneau area, and so we couldn't note them. Another large item in here is $75,000 for commercial and educational type activities. WE have listed in film? perhaps as a major item. This is obviously a flexible .... of the things the Interstate Commerce has been wanting to know, advantageous methods of information assimilation - commercial being one of the objectives and that is why the buget is why it is. Jumping down to the base of equipment and commodities

to operate the number of bodies based upon current standards; and the grants section s would be direct grants to communities for the various sections outlined in the bill. I will be more try and than happy to answer any specific questions ...

and the fiscal aspects of it.

Sen. Rodey: My questionis very simple. IN June of 1978 in a Community & Regional Affiars memo, the estimated cost of the Bill was 2.6 million. There ahs been a significant reduction in the cost of the bill in that time without an apparent major change in the Bill. Could you explain to me why the tremendous decrease in the cost of the bill?

Mr. Lee: O.k. What we did, and it wasn't, when, when we were talking about that part was to develop a handle on what the cost essentially xxxxxxxxxxxxxxxxxxxxxxxx to do everything that everybody else is doing. And we contacted other people, and, and, various states have different programs. One major thing in that section was the Youth Patrol, which the State of Washington has. The State of Washington funds that Youth Patrol 100 percent. They actually hire hundreds xxxxx, I believe, of children, youth who actually go out and pick up the litter. They pay for that out of the general fund and that was over a million dollars in that portion; so if you want to fund a litter patrol with State funds, the language in here does not indicate that. It indicates that we will be using other sources of funds for hiring that type of people. That was one of the major functions. Additionally, we were trying to say what is the what cost would it be if we had the Rolls Royce of a program? In our discussions with the sponsor and with other, what the communica /revenue projections xxxxxxxxxx were and the fiscal, we concur that the cost xxxafter that of the program proceed? to .. revenue. What we were saying now is that is what we can do, and what we are going to do xxx with that amount of dollars, and spare spend that accordingly.

Sen. Rodgy: Madam Chairman, just, just a comment, the litter patrol is, of course, still in the work draft that we have. The estimate of revenue by the Dept. of Revenue last year was $890,000

if I'm not correct, and do you believe that that would be a reasonable amount of money to support the program. WE, of course, see programs proposed to us and invariably they come back to us more expensive than when they started out and C/RA has been one of the most responsible departments ... criticism on C/RA; but I am very cautious about this.

Chairman Sturgulewski: I might that, one little comment, Eric at the beginning indicated that you have not, ah, with the new proposal on the tax bill had an opportunity to review your fiscal note. There was a high and a low and there are, there was a little bit lower amount from the smaller businesses put in the tax bill that has just been laid on your table and obviously you haven't had an opportunity to, to look at it,nor perhaps Eric Lee. The amount of revenue projection is approximately $680,000 from this revision~~provision~~. There was one .. that had the full $10 right at the beginning scale,that it wouldhave brought it up into the range that you are talking about. That's without a new fiscal note, that's

Mr. Lee: ... our original fiscal note is .... revenue projectsion benefit our than, than perhaps the new bill. We were working with approximate figures at that time.

Chairman S. Senator Rodey, any further questions?

Rodey: One further question, Eric, do you handle any other litter control programs within the Dept. or programs relating to refuse, or

Lee: No, we do not.

Sturg: Any further questions of the representatives from the Community & Regional Affairs? Just one question, if I may, were you going to go on to some structural areas - fine.

Lee: That's why, I was going to say if you'd like I'd continue to communicate on this thing. Some of the structural problems that we had, that I was, some of these things will need further investigation and w aren't?

carry on .. discussion to....

The Dept. of Envir. Cons.
to deterime the impact as well. .... I don't mean to speak for them
have
~~have~~ indicated to ~~us~~ that that they have concerns about the landguage
which may preempt all other statutes dealing with litter and perhaps
lose some of those
~~lose~~ that we don't want to see removed, ah, changed. They, I would
like a further clarification of the definition of administrative
costs because if our personal services are considered administrative
costs, you are not going to get this type of program, for 35 percent
of the total.

your
Sen Kelly: Mr. Lee, why was the, ~~xxxx~~Dept. selected to administer
the program rather than the Dept. of N. Res., for example.

Lee: Senator, I, I, could not answer, I suggest that the original
referring
sponsor and the .... The language ~~referred~~ to three months
to determine the
after fiscal year .. report is a bit too restrictive, because
the books don't actually close for a couple of months after ~~that~~
the end of the fiscal year and we would like to see an extension
of 6 months, rather than 3 months.

Stur. : On that point, though, that would mean, the possibility
ther, of that program not possibly getting, would that bring it
back before the Legislature for that immediate year, then?

Lee: It had, what, what occurs now, we have a similar type of
situation with the day care assistance program, which we adminster
..... Legislature, and we have that report prepared
and ready for ~~xxx~~ the Legislature before it convened in Jan. ~~In~~ And
three months after the frist of the year would be Oct. and, it would
be, fiscal would be very difficult because the time frame and close
down of all the books. We are somewhat concerned about the Dept.'s
ability and mechnism ~~xxx~~ for receiving and expending contributions
of either cash or in kind in terms of the day-to-day operations.
We have not had experience in this area and would like the language
establishing so it is clear ~~xxxxxxxxxxxxx~~ that the intent that we
can take in gifts, domations, and turn around and spend those on
behalf of the program. Tehre has been some concern indicated to
us from other states that, if you absolutely mandate a specific
size, color, shape of a receptle, that they have a lot of difficulty

in the public relations aspect getting some of the businesses to support that because they may have spent a large amount of money on the decor of their building, and you want to put a purple trash barrel alongside of their/building, they would abject, so we would like to see a little more flexibility, perhaps in, in that language. Also, we are somewhat concerned would like some further investigation on the impact of the dollar amountslevied on the . This

would like at least some indications as to what is expected and the intent of the establishment of the fine xxxxx, it appears in some cases, ... fines have been reduced and we are not sure if that is the intent. Another item we would like to see added to the available use for the, the general use of the grant money to municipalities, and would like to see that, ah, allow them to also purchase .. purchase the recquired receptles, & so forth, that that is their primary need; and the current language ...

Sturg: Eric, in that case are you thinking of smaller communties where that would be the difference of the beginning of the program?

Lee: Yes, right. If that, thats the primary need, and primary situation they have no other basic resource, we will, at least, have that be a possibility. I don't think we want to see that because the sole use of the grants at all, certainly not support that idea.

Sturg: Other questions of, you might have of Eric Lee? Were you going to be giving some testimony today or are you here as the back up man? .....

Kanouse:

Sturg: Fine. We'll obviously be having work sessions on this, and we appreciate your testimony. Senator Kelly? Fine, thank you very much. The next person to sign in was Chris Foster. I don't in all cases have the organization that is being represented.

Stug: Oh, And Virginia del Piaz, if you'll introduce yourself for the record, please?

My name is Christine Foster. I am appearing today as a member of the sponsoring committee for ballot proposition No. 5 in the 1978 Gen. election.

Any I am Virginia del Piaz, I was chairman of the Ballot Proposition Chris was speaking of, properly known as the Alaska bottle Bill iNiative. We'd both also like to state that it is general knowledge we are legislative staff this session. We ~~are~~ received have permission to testify on this bill. O.K. Last year, or several years ago, we undertook an iniative drive to place a proposal for a ... ~~beverage~~ term of beverage container Legislation before the public, because we were concerned about two problems. That was recycling and litter. The initiative was defeated in the Nov. Gen. election, but our interest in addressing these two important problems has not diminished. It is our hope that the Legislature will give serious consideration to making any new program the very best possible for the State of Alaska. We are concerned that any legislation deal meaningfully and not just cosmetic in this problem. IN that spirit we would like to make a few suggestions on this bill. We ~~do~~ did not have the Committee Substitute to look at when we read the measure before us, so some of this might be a little out of line in sequence. Problably the most important thing we'd like to suggest to ~~you~~ the Committee, and this is already somewhat been brought up by C/RA, is that this program would most appropriately be administered under the Department of Envir. Cons., rather than the Com. Reg. Aff. Dept. DEC has the existing litter control measures , it has solid waste management, in general, as a Div., as a Dept. DEC is the lead state agency for solid waste management planning, the regulation for enforcement, for technical assistance, both ~~with~~ under the State law and the Federal 1976 resource recovery and Conservation Act. DEC already distributes litter bags they've already done litter surveys, they provide local assistance to governments, they also promote the Alaska Clean-Up Month, which I believe is the month of May, and ~~has~~ have done so for a number of years, and have also been involved in policing television spots and other public literature. So, it's pretty evident/this that particular agency has been involved in this type of thing for some time and it is our feeling that they would be more of an appropriate agency to deal with this program. The lead, as it should be, and should continue to be with the Agency most logical, which would be DEC. It could be put, ... suggested by R/CA in as was also

Terrestrial

in an existing Division, in DEC, which would probably be their celestrial programs Division. That already handles most of what the proposed division, of what this legislation needs, would handle. Secondly, the section on the Advisory Council; whereas you have two different ways of working with this. No. 1, if you are going to move the program to DEC, DEC already has an existing advisory Committee that could very competently, possibly easily expand their charge to the concerns expressed in this bill. This would, to our way of thinking, be a logical extension of the need to DEC, of course, and also there is existing funding, & so forth, for this particular committee. They are very well constituted, they are a working committee, there're, they are used to dealing with these things and they're very familiar with these types of problems, so that this would be the more logical way to go; but, if the Committee decides to keep the program in the Commuity & Reg. Aff., we feel the Advisory Council should very definitely not represent just the main interest group, as is currently there, which would on page 4, lines 7 through 10, Section 8, on the old bill. Some of the, we feel, that it should be expanded to and for a different interest group, rather than just the businesses; and some suggestions might include a public member, members of the education community that deal in education in the State , local government officials, perhaps a rural representative, somebody from the recycling grup, youth gruos are involved in this, obviously, of course, some type of business represenative; possibly one from a consumer environmental group, or for service organizations which have epxressed quite a lot of interest in this bill. We'd also suggest that they don't need to meet as many times a year, possibly twice or three times, rather than 4 or more times, would be adequate and would also help on the fiscal implications of per diem and travel. On the proposed litter patrol this,in following bills over the years, has changed quite a bit. And in the current bill, the duties and purposes of this litter patrol are very vague and not very well specified, and so we suggest that this be a lot more tied down to what their purposes are; and also, just make the observation that if this is to be an effective part of this program, it would probably have to go pretty large in order to cover a State the size of Alaska, so there might be some problems with with the ways its constituted. We would like to make a comment on the grant section of the bill. If this is to remain, in fact a grant section, we suggest there be some definite limitation on the grants indicated in the bill. As far as we could see there was no limitation or lower limitation on the grants to be made. But, actually, when you look at the things as they are listed and there are 10 things listed, they break down in a different way than just getting grants.

Nos 1 through 4 are pretty much already existing; and 5 and 6 could, I think, very effectively be made into a loan program, either with one existing, or create a new one ; and Nos 7 through 10 could be done by the Dept. or the division, or could be subcontracted, or could possibly be grants, if this was deemed one. I would like to go over them briefly to explain how we came to that conclusion. The first one goes with the instruction at the distribution of informative material to elementary or secondary schools, and so forth. This is already, there are a lot of sources for this already, mainly for Keep America Beautiful program and some through Federal programs, we feel this, in a large part already does exist . The second one, purchase and erection of road side signs. This one is pretty vague , and to give grants for this is really ..... There are already is an existing statute for the address of road side signs for littering and that - Sec. 19-[illegible] 17-010, which states, very briefly, a Commissioner of DOT and Pub. Serv. shall place a sign near state boundaries, each primary and secondary highways which informs the public of the prohibitions against.....

and highway littering and shall place some more signs in other locations within the State when considered necessary. It was our thought, that this kind of, it's already covering that contingency. Third, the organization, operation of the clean-up drive conducted by local agencies, private organizations or service groups, even volunteer help. Now this is something that already does exist in the private sector of the volunteer effort and we just wonder at the wisdom of using State monies to fund something that is already essentially being taken care of in the private sector. And fourth, any other public information that is selected by the division including the use of media; as I mentioned earlier there is already a, DEC is already doing some media spots against the litter and I think everybody familiar with, the National Ed Council, TSA Time, which you see on television and hear on the radio quite frequently; so, feel this in a large part is already being done. The fifth and sixth one, speak to number 5, the expansion and of existing and creation of new source separation programs, and six expansion of existing and creation of new community recycling centers. This, as I said once, that this might more appropriately be under a loan program, because it is speaking of capital expenditures for structures, and so forth, equipment, and that this might be more appropriate for that particular type of program. And the last one, 7 though 10, felt that these might more appropriately be under under the section that gives the charge to the division, whether it's in DEC, or C/RA; but this is essentially telling them the things they should be working on and they are, in fact, pretty similar to what is charged to the division, and lastly

the litter control assessment, which was in the original bill that we were dealing with and now you have separated them outp but our po int still remains pretty consistent. No matter how this assessment, or tax, or whatever is to be called when it's done, it should be tied to the amount of litter generated by a business. There sould be some relation between there non litter generated to the tax put upon/particular business or operation. NOw, we'd like comments and suggestions but we offered haven't been real specific and we don't have the language drafted, but we'd be more than happy at any time to work with the Committee on specifics. We do have specific language worked for the loan program, if you'd be interested in that, that's why we've done possible language.

Sturg. We definitely would want that information. Any questions of Virginia?

Sen. Kelly - Just one. Are you satisfied with the recycling provisions in this bill?

Virginia: Quite frankly, there aren't too many. I would certainly like to see th: strengthened. There is quite a lot of interest going on with that inter-state currently. I know Anchorage is getting started with the program and I think this would have to be strengthened. I don't have any specific suggestions for you right now, but we coud l certainly work on it.

Sturg: Other questions? Chris, did you care to give testimony also?

Chris: NO, Virginia covered all our major points for both of us.

Sturg: Fine. thank you verymuch. I think a very/basic issue has been raised, and I am sure there will be other testimony. I wonder if Sen. Colletta might wish to speak and l, to the reason for the designation of c/RA and also possibly to the Youth Patrol. I think those will be of interest to other groups and I know the Committee will be interetted.

Col: Madam Chairman, Yes, I see that Sen. Rodey raised those and if you will recall in my introductory remarks, I stated the bill hadn't, a great evolution because of that hitting us occurred over 8 years of implementation. C/RA was picked for ... reason. This is not a State bureaucracy. this is, for all practical purposes, a people's activity; and who thus can do that, but the agency that's

dealing with people on a daily basis; as is their prime charge of community and regional affairs . DEC is limited in their scope, although they have acitivites statewide, it's not a normal recurring daily function. They go and ... on specific issue. Dept. of Nat. Res. the same way. They have statewide responsiblties but they don't work on a daily basis statewide. The Litter patrol, the fiscal note that Sen. Rodey alluded to has been a source of controversy from the day that it was requested, and ironically and for your information, it was never requested by myself. It was requested by those who were in opposition to the litter act; and I don't wish to open up that controversy. But that's where this 2.8 million dollars came from . At one time, in the course of introduction, Commissioner Max Brewer, from DEC, had suggested to me that he had some approximately 40 people, that he would delegate an additional reponsiblity to, Somehow, or another, 40 people got into the act that we were going to start funding and paying. Put 40 people on the payroll. This is not the intent. The Youth Patrol is very much alive and .. In Anchorage I would suspect they have no less than 2,000 youngsters in a Youth Patrol. They are being run through nonprofit and civic organizations. They are not State employees. You can interpret any kind of wording whichever manner you wish to fit the need that you wish. I would like to take the latitude of thanking Virginia and Chris. I offered indication, when it became an invitation on election night that this was not a victory for those people who, philsophically were in tune with me, I offered an invitation to them to cooperate to make this able a working bill. And, I'm now happy that they have come forward to do that.

Sturg: We'll appreciate it as Committee and certainly use their services. Sen. Rodey?

Sen. Rodey: Sen. Colletta, my concerns, of course, the cost of the bill; I know you share that concern with me and the reason I referred to the previous memo, is because it is one piece of evidence that relates to the cost of the bill. And, I'm particularly concerned because the cost of the bill would be borne by Alaskan businesses, small and large alike, and quite frankly, I'm somewhat reluctant, perhaps reluctant in the extreme, to put any additional burdens on Alaskan businesses this year. I would rather stand neck deep in the Gastineau Channel than ask another burden on business this year. Certainly it's passed on to the consumer too and it affects all Alaskans in that regard. That's why I'm concerned about the funding because it will reach the point of making a decision; and if we do have a bill, of course, I would like to see the lowest possible fiscal note and I know you share

that concern with me and that's why I 'm looking at some of the alternatives and also the funding of the litter ~~xxxx~~ patrol, which appears to be an unknown quantity at this point, particularly in, in future years.

Sen. Colletta: Sen. Rodey it's apparent one of two things is occurring. Either you're not hearing me, or I'm not making myself understood; but I thought I had addressed that. The litter patrol is alive, it's not State funded. The litter patrol is comprised of youngsters who are assisting their parent organization in the earning of some dollars. It's a volunteer effort. The only paid individuals are those that the State will furnish to assist communities in accomplishing a Litter Act activity.

Sen. Rodey: Madam Chairman, let me point out, though, that in no where in the bill does it say that - it merely says that the division shall adopt mandatory requirement for adoption of regulations which established the letter patrol; and I think it is something we ought to consider in our draft. And certainly in our work on bills, I find your assurances to be absolutely gold plated. And, I thnnk this is one of the things which we need to deal with in the draft of the bill. And, let me bring one other concern up. There is on page 6, Section C, places the responsibility on people owning or operating in a public place and that does include a very category; and includes a great many businesses; if perhaps not most businesses in the State of Alaska, certainly all retail businesses. And, it deals with a question that Eric mentioned earlier; and that requires the businesses to secure place and maintain those receptles.at/should be at their own expense, after their/expenses here. What reaction have we had from the community in regard to this? This was alluded to previously.

Sen. Colletta: I don't know if there has been any other specific language that it's probably 6 months ahead of what this measure hopes to accomplish. They have already throug specific organizations such as the Chamber of Commerce implemented the litter and recycling activity, totally private funded. It is my understanding in talking with the Chairman of that activity ~~xx xxxxxxxx~~ it is not a probability, the only assist that he would want out of the passage of this bill, would be the educational aspects

and conceivably on occassion a little bit of receipt money to tide them over on some of the contractual things that we deal with the nonprofit organizations in the pick-up of litter. But the responsbility you are referring to in Sec. "C", Pat, I, don't know how to answer that to you other than that the normal course of activity, they do have designated spots, receptles now and the responsiblities for policing their own yards still remains theirs, All we are doing is assiting and hopeing that the accumulation of that would be the central place for them, again benefiting them. They still sweep their own parking lots and everything else. So, I don't think its' that controversial of an issue; it could be, but I doubt it, very much.

Sen. Rodey: I'm not sure it is controversial, Madam Chairman, and perhaps we could hear from members present from these groups, or the Chamber on that and see if they have any question or

Sen. Coll: Madam Chairman, if I might have a, I really want to clarify that litter Patrol, I think maybe we're grasping at words. Originally there was a litter patrol; these were uniformed youghsters working for a State agency and so forth, but, experience has shown that that's not the most practical way; because what's you've done is just expand a refuge picking up activity, which just doesn't accomplish and they have had greater success in utilization of the local candidates canonies instilling the pride in each community.

Sturg. Sen. Rodey?

Sen. Rodey: Madam Chairman. I'd be happy to work with you Mike on this and redo the language, because the language Litter Patrol is still in there, and we need to redo the language in that section because it's a bit unfair to me . I think you're absolutely correct, certainly we can look at Europe and see what they have done to be at these means, which that, some of them are very traditional.

Sturg. Thank you. Are there other questions? Thank you very much Senator Colletta. The next asked to testify - Mr. Gravo and Ms. Municipality of Anchorage, or possibly a private citizen today, I don't know. Mitch?

GRAVO: Sure. My name is Mitch Gravo. I am testifying as a resident of the Municipality of Anchorage. Litter is a mjor problem for the municipality and any legislation which helps us deal with that probelm, we support. My comments will be very brief and they just deal with a few housewkeeping matters. The first one, on legislative intent, suggest the Committee discuss the possibility of including the public sector also in that Section. where you indicate encouragement, stimulation ~~assimilation~~ of private recycling efforts. For example, the Municipality works with, very closely with the Chamber of commerce on the program that Sen. Colletta was just speaking about. Last year it was a tremendous success and this year because of the changes, new approach, I think it will be even more of a success. The Advisory Council possibility that not only the people that are mentioned in there, be part of that Council, but also solid waste professionals, also being included, people of considerable expertise. The survey section, you indicate that 6 months after the bill goes into effect there should be a survey to determine if its working. You might take a look at that, in that if it goes into effect in July, the survey would be conducted in Jan., and in Anchorage, all litter is covered up in Jan., and we see it in May. So, you might take a look at that.

Sturg: Fine, I think that's more of a technical thing we do need to look at, because it's more of a question look at, because it was a question of when that program begins, and it's going to take a little time to get it underway. Good point.

GRAVO When you speak of, when the bill speaks of garbage or refuse, that's somewhat vague and our solid waste people suggested, quite publically, that perhaps you use the word solid waste, instead of garbage or refuse, because it's ..... and has a specific definition. Finally, when the legislation speaks to the receptle, the costs to those individuals may be significant depending on the design, and the bill speaks of the design will be the responsiblty of the director, and we suggest that perhaps you look at some better responsibility being placed with professional with a design in the least costly manner possible.

I have no further comment.

Sturg: Fine. Are there questions of Mitch?

Rodey: Madam Chairman, just one comment breifly with regard to the 10th intent section of the bill since Sen. Ziergler, the Senate gramarium is not with us, let me, let me offer some comments. The English language is a beautiful thing and I think perhaps we could include its useage in the intent clause by perhaps by cutting down some of the existing verbage. I think it would be interesting for the press to take a look at it and see how it, we might say what is intended to be said and in fewer words and discretion?....dry set aside.

Sturg: Thank you Pat. Thank you Mitch. Apprecate that. Ron Murphy?

Murphy: Madam Chairman, and members of the Committee. My name is Ron Murphy, I'm a lawyer from Seattle, and the reason I am here is because it is my understanding that the Committee would like to hear from me about the experience wwe have had in that State and other states that I am familiary with. I represent the industry group that has been involved in this kind of a program in other states, especially in Washington State; and I have had a great deal of experience, good and bad, and made some mistakes, and hopefully have learned from them and my purpose here, I believe, is to hopefully answer questions that you might have that might help you in making determination of how to-make your determination. I should also say that I have worked with, closely with, the Alaska industries peopee, and tried to work with Sen. Colletta, and some of the other people here in Alaska, within the governemnt, to give them the benefit of

our experience.

Sturg: Mr. Murphy, I think it would be very helpful to us. I am sure you have had a chance to look at Senate Bill 2 and the Committee Substitute what we have on the table in basic form, very similar to that. I wonder if you might be able to say what we have presented here, how that compares to ~~Washington~~ what's happening in Washington and what you feel, or percieve has happened in Washington as a result of their bill. Or, have we strengthened areas where they have had weakenesses. What about this program? What can it do for Alaska, if there is a commitment of those that have said/we will make this bill work. What might happen in Alaska as a result of a bill like that?

Murphy: I'll do my best.

Sturg: Yes, just a little, kind of an overview, and comparison and what will this do for us.

Murphy: All right. And then if I don't answer something, or raise other questions, I hope you'll shoot straight at me and I'll try to do my best. If I don't know the answer, I'll Tell you.

Sturg: I may not, but I bet Sen. Rodey will.

Murphy: All right. First of all, I think you asked me what, how does this bill compare with what my experience has been in other states and observations. This bill was put together as I understand it, as

an attempt, to take the best of those bills and weed out the poor portions of those bills and then it was tried to be tailored to the situation here that exists as best to be determined for Alaska. A lot of thought went into that and a lot of work went into it and it was an attempt to put it together in a fashion that would work here. For instance. The Washington approach, in the beginning, was entirely a litter bill approach. Back in 1970-71 when the Washington approach was put together, it pertained entirely of litter. Now we find that there are these recycling solid waste problems that have developed and so the bill that you have before you is an attempt to incorporate and address itself to those problems and solving them. I should start right out though and try to be specific and say, it is not the intention as I understand this bill, and Sen. Colletta certainly has more and better knowledge of what this is about and what he wants to accomplish, and you might want to accomplish than I do. But industry, and speaking for industry I can say, I can say honestly and candidly industry is behind this bill, and as I understand in Alaska, and I can tell you its behind the bill in Washington. And I understand from talking to the industry people here that they don't intend to have a cosmetic bill here, as stated here earlier, they want a bill to work. And they'll stand behind it and attempt to make it work. NOw this bill is addressed somwwhat to recycling, where the Washington bill was not. Now we are amending the Washington bill now to incooperate and strengthen recycling sections; but fortunately, when we drafted the Washington bill, we made it flexible enough, by luck, that it could address itself somewhat to recycling and we were able to incorporate recycling in it and in the State of Washington we have got a tremendous increase in recyclers

and recycling, which I think in large measure is due to this situation we have down there. We have some 500 recyclers in the St. of Wn. now, almost more than any other st. and part of that is due to the bill. Not all of it, I assure you. Going back, the, what we did in Wn. is, we were told in the St. of Wn. as industry that if we didn't come up with someting to solve the problem of litter back in those days that we'd, the State would solve it for us. And we had some good Senators and Representative s that we knew, and we sat down with them, and we said, hey, we don't know how to solve the litter problem. We don't. We know it's a big one now because of what's happening in this country. But we said we'll go out and see what we can come up with. So we got together, a group of industry people like the ones you have here, and we'll try to get together here now, and come up with a program that we can present the Legislature and they take a look at it in that stage and say o.k. - it makes sense, or it doesn't make sense. And that's what we did. And we studied, spent about$15,000, doesn't seem like much money now, but then it was quite a bit, to study the litter situation in the various states by the municipalities, by the states, by the individuals, businesses, and so forth, and come up with what we thought was the way to solve it. And we came up with basically what is known as the Wn. model litter law now. That's how we ... The idea behind this is, as I stated earlier, it's not to have the State solve all the problems that we had in the recyling and litter, and it's not to have the State tax everybody, industry, or anybody else, to solve all the solid waste and recycling problems, we haven't got that much money. But the purpose is to put the problem of litter control and now recycling into one central agency in a given state

and get some control over it, get some guidance over it, get some standards set, and get a program going, so people will know how to deal with the problem. So we, in Wash. and other states now, and we hope in Alaska will put this under a governemnt agency that will take control of setting these standards and start working on the problem instead of a mishmash like we had with one industry doing one thing and onecity doing another thing and we don't know where we are going. People need quidance and we need study and we need work, so this is what the idea was. But we also put in here after our studies were made some specific things which we thought should be done, so we didn't say the state solved the problem. We found out that there weren't enough receptcles out in given communities, given areas where peopel were apt to litter like beaches, parks, playgrounds, you know, marinas; and the receptles weren't placed in the right places at the right time; and the receptles weren't the kind of receptles that people could see and recognize. So, one of the things we require in this Act and in the other ACTs, is that the State sets standards, just like we have with stop lights today, just like we have, all restaurants have to have toilet facilities. The state sets standards on these receptles and they should be. Somebody said here earlier, and I know it was a good thought and we wrestled with this, we think standarize, and color it and design. It doesn't mean they have to be expensive; but they shold have some way people could recognize wherever they go that's a litter receptle and that's what it's for and there should be enough of them out so that they can use them. HOw many times have we gone down a city street, and I've done it in Seattle, and I've done it in Yakima where I grew up, and I think I did it in Anchorage

and you are a person who wants to see litter picked up, you pick up the litter and don't know what to do with it. So we've got to have the things out there for people to put them in and they should be standarized, we think, in color and design. So we found that people were being fined for litter, littering and charged $100, $150, $500. This wasn't helping. One question answered earlier today was why was the fine low. Frankly we set the fines low down there and suggest it to you here, because the idea is to keep the fine low for the litterer because you don't want/to go and clog up the courts. We want it to be like a parking ticket, and so then, when a person litters and he is fined, he just takes bail and it's sort of an educational process,. That's a little thing, but it's one of the more important things. The other thing that we found out is that motorists, drivers, people going places have a lot to do with litter. They get in a car, out it goes, when they get in their cars and go picnicing, and so forth. So, it's mandatory in this Act to ahve litter receptles in automobiles. WE also found out, and this can be a litter bag. We also find in here that litter receptles are required to be placed in all the, to be handed out by the St. agencies. They are inexpensive, the St. can give them out and the St. will send them out with motor vehicle registrations, this is all an educational process. So, we have followed this pattern in the St. of Wn, basically, and it's taken a long time to go through all of it; but basically, identification of litter receptles, plenty of them out, litter bags, plenty of them out, and a good strong educational program for the public. And I might stop here and ask you to ask me some questions, it's not a boondoggle, but, but edcational program for the public is not just going out and buying some television spots

and don't litter, it's to get each community involved. Have this field Dept, with one other xrxx man go to the communities like in the St of Wn we have an anuall program in Ellingsburg, Wn., where it's clean up the Yakima River. The field person from our Dept. goes out, starts the program there, for instance, to get those young people to school there to go out and clean up that River once a year and if, starts them out, gets them going and gives them receptles, gets their local community to get the trucks going; and these are the kind of programs that are coordinated under this Act. I can stop and talk about the Litter Patrol in a minute, but right now you may have some questions.

Sturg: Yes. Sen. Kelly?

Kelly: Mr. Murphy, in the St. of Wn, which Dept. administrates this program?

Murphy: In the St. of Wn. we use the Dept. of Eucology. The reason we use that is that it had just been formed at that time and it seemed like the natural place for it to go; because they were going to be a Statewide agency talking about eucological matters. I, when, if you would ask me specifically why this Dept. was picked here, I wouldn't have known the answer and I was very pleased to hear what Sen. Colletta said that if you need an agency that works in the various communities at a local level, so that you can get that local touch and get self help programs going. And the Dept. of Eucology was the only Dept. we had that did that.

Sen. Kelly: And then you said something about 500 recycling plants in the St. of Wn? Is that 500 rebottling plants, or; what exactly are your recycling centers?

MurphY:
Recycling centers in the St. of Wn. everything from a fairly large area, plant where you have maybe a scrap dealer with where you have several employees handling hundreds of thousands of ton s of stuff down to a one or two man shop, where you've got a fellow that believes in recycling and goes out and does it on a very insignificant small time basis, say one man. ~~day-to-day,-one-man~~ Am I answering your question? That's what I mean we we don't mean a bottle shop,/we don't mean a manufacturer -

Kelly: You're not adually recycling the material, your not recycling alumin cans, or recycling bottles, your're just simply, kind of a scrap center?

Murphy: It would include both, collecting it, putting it in boxes, separating it, and selling it to somebody who does it. We would count the ones who collected it, just the little guy with the shop where he collects bottles and cans and gives somebody money for it, or paper, all those things. But it isn't always the fellow who processes it, no. It's the collection agency included. So when I say 500, really, it's the li-tle guy too. It's the little guy who picks it up, and has it there, and pays people to bring it in; and then he sells it to somebody else. Of course it might sell it to Northwestern Glasa, the glass, and they turn it into glass bottles. Does that answer your question?

Kelly: Yes. That answers that particular question and the last question I have, I suppose, I have some doubt whether standarized receptles are really necessary because I am assuming they are going

to be a great deal more expensive. If a person has the option of just between buying a loboand putting it on an existing receptle, or buying a standarized receptle that obviously has been manufactured outside the STate and brought in, I'm, I'm pretty concenred that the size, the weight, and eve thing, it's going to turn out to be quite an expensive item. It's like looking for a bathroom, you know, it doesn't make any difference if it's boys, or men, or gentlemen, or has a siloute, youknow, when you need a bathroom, you know where to find one and you can find it relatively -

Murphy: Well, I didn't do a good job on that. YOu're exactly right on wat we had in mind. We don't have in mind to standarize as to shape and buy outside the State of Alaska. What we have in mind only is that it be standarized in one color and have a lobo logo on it . That's all. Now our St. Dept went ahead and passed some other regulations as to where they should be placed, like shopping centers. They told, this is what your Dept. would do we hope, in a shopping center in the St. of Wn., you're supposed to have, if you run a shopping center, so many of these receptles because of the amount of traffic that's in that cetner. Instead of on e receptle for 500,000, well that's over exaggerated, one receptle for 10,000 people who go through a shopping center in a weekend, there's got to be a 100 receptles in that shopping center. And they are not necessarily, although a rich shopping center does put out expensive ones, but if you are running a Mom andPop Shoe Store, and you had a lot of traffic there and I don't know if a shoe store would be a good example. But a marina, it might be that you would put out a litter barrel painted green but you would have a logo on it which the State supplies free. Our St. supplies all the logo stickers

so that if you are a little guy, you have to have this green receptle and you can paint a barrel if you want, then the St. will supply you with a sticker so everybody can recognize it, and they stick it on the receptle. So you are right. There is no requirement that you have this expensive piece of hardware. No. But they should be standarized in the sense that you recognize them.

Sturg. Sen. Kelly what -

Murphy: The logo is the important thing and i would like to think the color is too, but I, I heard a man, this Mr. Lee say that he went around and found out this is a problem because some businesees do not want to go with the green color that we use because it destroys their decor. And we've had a terrible fight on this sometimes, and our position is, in industry is that, if you're, I shouldn't, let's not say MacDonalds, let's say if your Joe's Hugh's Drive In organization and you've got all green, no all brown, and your architect says you should have brown receptles, because it's pretty, our answer is so bad. We want to see those receptles and we want them to be green and there has been some scraps on that. Correct.

Further questions, Senator?

Sturg: Sen. Rodey?

Rodey: Just one question and what is your per capita costs in the St. of Wn?

Rodey:

Murphy: Oh, for our program? Anybody got a calculator? I don't have one. I could, I could divide, right now our program is going to be about, and we're very high now, our program started out $x 600,000. Wepre spending about a million fo in the next bi-annum, so divide that 3 million 500,000 people and chat will about do it.

Rodey: Obviously, fairly, fairly low cost on that

Murphy: yes, what do you get, I'm interested to know myself.

Rody: That bi-annum, is that a two-year budget?

Murphy: No, that's a one year, a bi-annum would be double that, which would be about 3. What we did was we went from 1971 from 600,000 like you've done, up to this figure; but we have a different tax setup than you do. I think your tax proposal here is better because ours puts a heavier load on some industries. And, incendentally, I want to be very level withyou, we looked at this very carefully how to make suggestions to this Legislature here, to cary this tax and I think that the tax bprogram that shows here, this assessment program makes a lot more sense than the one we have in the St. of Wn, for your safe/. But you don't have enough base hereto isolate one or smaller group ... you get prohibited this way everybody shares in the cost and it makes good sense.

Sturg: Alright, Mr. Murphy, you're talking about amount tied in the amount of litter so called, that's what your

Murphy: Yes, we break it, you know

Kelly: Madam Chair, how do you pay for the program in Wn.

Murphy: Well, in Wn. we have a very broad base tax like you do, but we were able there to tax broad, broad spectum of industries that were related to the litter problem only. For instance, you wouldn't tax the Boeing Airplane co., but you would tax the Dept. store because the Dept. store puts out materials/in bags that are , sacks, toothbrushes, and sc forth that end up in ..

Kelly: So, you're, you're much more restrictive.

Murphy: But we couldn't do that in your St. Yes, but we tried that kind of a tact in your St, we really tried hard to come up with that ~~positive~~ approach but because of the number of people in your ST, we had to do this in other states, we couldn't, we just couldn't, it was impossible. But the one you've got now, I think is really very good.

Stur: Sen. Rodey, I think we cut you off before you were finished there.

Rodey: No,

Stu: Did that answer your question.

Rodey: I think it did. Evidently you have a/lower very, per capita cost than we do, which I think would be, be natural considering the situation of Alaska and the situation of. Really the two questions that I'm concerned about. 1. How effecient and effective can that litter program be and then secondly, how much will it cost us and I, I think that's all legislators. . and those two points aside.

Stu: Mr. Murphy, do you have any further response to that?

Mur: Yes. He says, o.k. Murphy, you've got ~~that~~ this program down there and you naven't told me what it's worth. Isn't that what you are saying? I think that's what you are asking.

Rodey: that's what you are saying.

Stu: woudl you, would you like an answer to that question?

Rodey: I think so, because, that's why I asked the ~~question~~ cost worth and that's part and the other question is how much are you getting for your money?

O.K., is it workh it?

Mur: Right. /We started out in the St. of Wn. with not, you see when you start out in the State, how do you find out how much litter do you have in the State bo begin with? I don't know how to find out, so we had Booth, allen and Hamilton make a study for us, it cost us some $70,000 back in those days to tell us what to do abcut this program, what the ..., how to get it started and what have we got here in the way of litter, so we can see if we're making progress later on. They came up with a figure that we worked from, and according to the figures that have been done by outside measuring outfits, we have had upwards of a 60 percent reduction of litter, from what we would have had. NOw if you go to the St. of Wash. on a given day, Senator, I want you to notice, when you go down a certain highway on a given day after there has been a summer tourist season on the 4th of July, and that road hasn't been picked up, you're going to see litter. But if you do it on a ... basis throughout the State ~~throughout~~ this as a study not attempting to be done, and honestly as we know how to have them done, the State knows how to have them done, we have had a tremendous reduction of litter. We haven't solved it, I don't think we will ever all of the litter problem, but we have made a tremendous reduction, and we are very proud of what we've done. So I think it's workh the effort and the money.

Stu: Further qeustions?

Rodey: Just one comment, it would be interesting if we knew the perimenters of our litter problem, in the St. of Ak.-

Murphy: It would be very difficult to start out with because you're starting out with, well 50 or 100 years of accumulation andyou know you have to get a handle on it. ③Were there any other-

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① (laughter)

②Stu - That's discouraging.

Stu: Mry Mur. I do have one specific question. The way the Advisory Council is set up, it's completely composed of business people and I

have had a number of questions raised and we've had that today about the fact that we should really be bringing in, on the one hand we have the technicians, the other the broader public interest; and, there's, true, the commitment of industry to make it work, but what's you comment as to how you bring in the various grps that have an interest in this?

Mur: I don't want to speak for Sen. Colletta, so I'm speaking perosnally; and I don't even know whether he'd agree with me or not, haven't the slightest idea, and I also want to level with you. I think part of that was put in there, I can't say this for sure, but put in there for all business becasue business was very concerned that this might get out of control if you got the wrong people on the Adivosry Committee and tried to use this against them. I think that was a frightening thing that they put in here . I myself would say personally, I'm not really speaking for the rest of the business in Ak. now, I, myself, would say, you ought to go ahead and put some other legitimate interests in here that want to solve the litter problem and not attack something else. You understand what I mean, I'm sure. Yes, that kind of an approach and some safeguards for the voter, you've got to pay a tax and ... in this case it's all business in Ak., so if they don't get overwhelmed, I say to try and strike a good balance. The other reason we'd like to see business on there with a good say is because we think business should be committed to making this program work and if they are on there, in strong force, then they have a chance to really make it work.

Sut: Thank you for your comments. Any other questions from Mr. Murphy? Thank you very much. We have a dual, I believe they wish to appear together, for the St. Cham. of Commerce, Lou Harris and Don dickey, is that correct?

and following that, the past person I have on my list here would be Commissioner Mueller from the Dept. of En. Cons.

Dickey: Madam Chairman, Member of the Committee, I am Don Dickey spekaing on behalf of the Ak. St. Ch., of Com. The idea of a comprehensive recycling or litter reduction program, I think is not only commendable but not new becasue for a number of years, doezen or so, Chambers of Commerce throughout this State, and some of your home committees have been carrying on, as you know, very aggressive and progressive programs as has been testified to before. However, the problem with that, our own community here has on one or two occassions national ...and yet it seems to have no, it's like a senate beed with a hundred legsand no head to it, there doesn't seem to be any coordination statewide, there is some areas left out completely or not motivated enough to get started, and so I think the idea of looking at a comprehensive program with this magatitude has merit. I share, I was pleased to hear the Senator mention that, Rodey, his concern on the cost because certainly as business people we share that at a time when the economy is not particularly booming. At the outset offset, inthe original bill, as you know it was tied to a gross busines gross receipt tax, having, or from 18 to 20 found that the greatest thorn inthe side of the business peopel, the inequities of that tax which are now repealed. I was not anxious to lead any ... movement that would possible get that back on their backs; and so I felt that method of financing was objectionable, and I so stated to the Chairman, Senator Colletta, and otheres who were involved in this; and I am very pleased to see the substitute, which is being proposed and the method of funding, I think it has two virtues as I look at it quickly. One is simplicity,

and there are only 4 steps, and second, which is important equity. As for the funding method, asked about raising money, as I see the new proposal, you are asking only the $25 business license now required. Those in the lower income brackets, more volumes of business would be asked only to add $5, second step takes i t up to 10; and I understand from State figures of about 33,000 business licenses that 73 percent of all thoses linenses would fall within $5 or $10 brackets, as far as the increase would go, were they are paying 25, now 30, 35, ah, 35, so 2 out of three businessmen in Alaska would only htave to contribute no more than$10 a year; and I don't think that's unrealistic at all. At the very top of that spectrum, the fourth step proposal in your bill, businesses having over a $1,000,000 gross volume, I'd say, and there's only 7 percent in the State, but with this small amount would only have to pay $75 more than they are now paying, or a total of $100. So at that top from going up $5 step up to a hundred, I don't think its excessive. I would like to start with the philsophy; and we have discussed, you and I senator, and others, the idea/its a that chicken and egg thing do, should we tie the tax and the funding, to those people who contribute to the problem? And my responses, while that sounds logical and commendable, I don't think there are enough soldiers here or in China to police everybody that contributes to the problem; and I am going to propose, and we are taking it from our viewpoint that all of us contribute to the problem, all of us should contribute to the solution. So I think in this manner, instead of trying to pick who threw the most out at the waste-basket, or if it's a professional man, or chamber type, all of us are either someplace either in the picnic or in the cars are potential contributors to the trash problem. So, I think it's logical that all businesses be asked to contribute to the solution. I also say and commend

the Committee for a better for this step which in no case wwould anyone have to may more than $100, which is only a $75 increase; in over a million dollars; and I think the small merchant who has that tough problem is protected with the $5 step. Commenting on some of the other factors, I naturally, again getting back to the funding factor, I am not only pleased to see; but we'd be considered a watch dog to make sure that this action not include xhe for administrative expenses that exceed 35 percent. I think that's most important. I don't feel we have enough money in this state, or Washington State combined, to pay for all of these functions; nor is that suggested as I read this. What I think we need is to encourage, stimulate and not duplicate, but stimulate voluntary services that are already existing; whatever you want to call the Youth corp, boy scouts, girl scouts, civic groups, organizations of that nature who xxxxx have toiled long and hard at the collection and reduction of litter. So I hope xhat that would be considered and that that factor would be watched and the goal met. As far as grants to the existing Advisory Committee, it has been suggested that that 7 member proposed committee be expanded; and I would, I believe that's realistic. I would concur with previous witnesses, Virginia and Murphy, that that has merit, certainly we whouldn't draw a circle that excludes anybody; we should make it big enough that it includes everybody, provided they share the same goal and that's to clean up litter. As far as numbers, I dxxxkxkxxx proposals, have no magic I do think it should be so, small enough that's it's practical if they meet somewhere; and not be a complete troop of them, if they have to go. Having served on, a number of occassions over the past 2 dozen years on St. boards xx or commissionss, I feel that the proposal of the council xxx meet not less than once every 3 months is perhaps unrealistic and may be unnecessary. I have, again,

no magic figure to substitute, but twice a year probably, and maybe 3; but I think merely the cost of that and the getting together, with the size of our state, any of us who have served as most of you haveon various boards and commissions, I don't think it needs that much policing. As far as the receptles, I know, I think that, what is being proposed, and I have, well being Irish, I'm not going to propose green berets, or red or purple, or even brown for the Hickel establishments, I'm merely suggesting that we would probably save some dollars, to get what they are using in Idaho, or in Wahsington, if we could order them in volume; and if all we do, if we merely use our own oil barrels, but as has been suggested, use some decals from Alaska, so that the symbol is used on them, I think that would be a saving and it would also be an educational step for children or old folks to know that that's where they are to throw their refuse, trash. The, on, I note that there are, there is proposed also grants for public agencies, private, and also civic groups, municipal or gym types, and I think, whereas Anchorage particularly, Juenau to a letter degree, Fairbanks, some others, have had very fine clean-up programs. I think nothing should be done to discourage tho se, or minimize the voluntary help, it should merely supplement, and as I read the bill that's what they propose to do, and I think that's good. As far as the youth corp, and I know that's, gets to be a touch word on what we mean, I have no clarifying definition, but I think the key to this thing is getting young people involved, that's where it's at, and that's where we're really going to get to them to work on whatever banner, and I think these folks are more dedicated that the parents, in many cases, and that we should certainly utilize them, and the need for some job training and distraction from other activities that is perhaps not as desirable would come from having

an opportunity for young people who find it tough to find jobs to be involved in some of these positive steps. So, I do hope it is encouraged in some other manner. Certainly the idea of issuing bags and things, some has been done already, I feel that there ~~we~~ other ~~yo~~ motor registration or ~~register~~sothers, your cars, and your boats ~~has merit t~~ I think has merit and the receptles. I had noted also on the, as far as there as been some contention on which Dept. it should be placed, I am not quite as concerned with that, I think the most imporaant thing is to determine the function. And the achievement of the goal is the desire and not who's favored agency gets to run it. I think the real accomplishment, and the thing I'm also pleased to see, that it has, and Sen. Colletta at the offset testified, has a self destruct clause that in 3 years he has enough confidence, and that's how we would ~~kk~~ looke at it, let's take, we've never been down this road before together, let's take a start, let's do the best we can, let's make corrections where needed, and if at the end of three years it produced nothing, or little, too little, then I think it should self-destruct as is proposed. But ~~And x~~ I think that's a very favorable factor and I also would like, getting back to the finan ing end, the fact that apparently theproposed budget, and I only had a second to look, but the, starting at about 600,000; and if it could be done for less I would encourage that too, but I see for the three year perio, but it's proposed that they indicate to us that they'd expect to raise under this 4-step funding method on the license, about $668,000, and that appears to be an adeuate money to carry it for three years. I think we would make a major mistake, in our public relations for the business people, if in about a year and 1/2 we have to go back and .... and put another tap on it. So I think that 3 year funding and I hope, I have no idea

that is correct, but I hope that, all the costs the Senator brought up are considered in there and that we don't find an overrun which finds us having to come back because that would be twice as tough as .. in the past. I certainly, for one, and it has been testified wouldn't take my time, nor yours, to try and come up to suggest something cosmetic approach. If this is a comprehensive, everybody get to it approach statewide, including the bush, and everywhere else, I say fine. If we all get our shoulder to it, I think we can make some accomplishment, so, even though the cost is involved, I think this this substitute is a reasonable approach to it and appreciate the chance to talk.

Stur: Don't go away, just a minutes. Questions of either of you? Sen. Kelly?

Kelly: Yes, I'm somewhat chagrined on that you've taken/such easy approach onto the reestablishment of the gross business license tax in the the State. You know, I suppose we have a philosophical .. on how do you fund a bill of this nature assuming that, you know, we feel that it's comprehensive enough to mean anything. Washington, obviously, as Mr. Murphy testified, goes a different route and what they're saying I assume like something those businessses who contribute the most to the problem are picking up the tab. We're in Alaska saying in essence, that everybody contributes to the problem, and that, but the businessman, be it the small businessman that might not in the least bit contirbute to the problem, will pick up the tab. We're opening up the gross business tax again, and aren't you all worried that once we open it up and begin taxing on licenses again, that it will just be asimple step each year, just to increase it each year?

Dickey: No, I think that's a real possibility and I testified at the onset that we were not favorable when it was tied previously, offset
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If you recall Senator, when you look at the proposal. There's a little difference. I guess it's kind of half horse, half rabbit, you're asking me which I like of the xxxx 2, and what I'm saying I prefer this to the previous one which would have put at the top a fine or a fee of $25,000, so I'm saying I like $75 better than $23,000; so, in proportion I think it's a much more realistic bill. I share your concern, and the possibility that this could be a vehicle to get back in the gross business license tax, which I would spend my full time agruing against it again, as I have for 18 years.

Stur: Sen. Kelly, any further questions? Sen. Rodey?

Rodey: Just one, where would you draw the line, Don, in terms of Chamber support for this legislation in terms of cost? WE, unfortately have seen costs rise and in some cases all out of proportion from what we had anticipated. Certainly you've been a spectater as well as a participatant in these actifities, and where would the chamber draw the line in that regard? WE are talking about a $600-$700,000 cost. six hundred, seven

Dickey: Yes. I have no magic figure. I did talk to Sen. Colletta and the others, I expressed and repeat publically my concern that we are atarting a little high. Now obviously the peopel in Administration are saying that they can hardly do it this cost, and I can understand it what are you paying for and what do you get? I was basing mine, you have to have some bench mark, and I asked Washington State, prior to Mr. Murphy's testimony, wnat do you have, 5 years of experience in Washington, or six?

Murphy: Actually we really got rolling in 1972, but we had started in 1971.

Dickey: Seven years. But my thought when he responded/that with the thing started there

with about $600,000, and they are still holding, which appears pretty good based on their population; so, by comparison I was hoping we could get more for less, I guess, Now how that would be done I realize you have to line for line go down. But I am stressing that I think one of the ways to do it, is that people who come in, as I understand it, into these communities to help stimulate the cleanup of the river, or the communities y, ... the problem, that there only be one or two stimulators from the State and that the rest of the volunteers, I don't think that everybody should have to be, or expect to be paid, or that the voluntters who were doing a good job in some communtties, be discouraged and say why should I go out and do this for free when across one street somebody is getting paid for this and let them do it. So I think that is a very real concern. I don't have a magic figure. I would hope that it would be less than this and somewhere, I'd say, under, we could do it for x 500 thousand, somewhere to start, and they work up. But I did stress to the sponsors and others this idea that the three of whatever they fund, I hope for those three years just from a sales point would be, would permit us to whatever growth is going to occur, and still not have to go back for seconds ..

Sturg: I wonder, have you gotten ...

Kelly: Let me ask, having spent 18 years in business Don and being Rodey as close to the Ak. polical situation and the St. government budgetary process as you are, do you reasonably expect that budget to stay at $600,000 for 3 years?

Dickey: No. Nor do they propose that in here. They say six hundred, six hundred seventy three, and I think in the 3rd year six hundred sixty

seven. And as I point out the total, I'm only using their figures, but they say it will raise six hundred sixty eight thousand the first year. We hope that there will be more business licenses attracted to share this pleasantly with us, so that we can all contribute. But, so, I guess my response would be that it appears that figure is adequate even with the three steps and I also want to reemphasize and say again that I am pleased to see and would be here to see how it turns out, but there's a 3 year self-destruct because if that starts, as we are all a little concerned, if that starts getting into millions of dollars worth of program, then I think we might have very quickly have second thoughts or other methods of skinning that same rabbit.

Stur: Any futher questions? Fine. I'll point out for the Committee. We have a little bit of a problem. Both Sen. Kelly and I should be over joining poor lonely Sen. Bradley, who's trying to run a meeting without a quarum. I wonder if I could get an indication, we've had Commissioner Mueller, who would like to speak .., are there others in the audience that wish to speak on the subject. Alright, we have a couple of more. Commissioner, would we do you; 2 optionshere. One, we could allow Sen. Rodey to continue the meeting and we would then miss it, or we could take a very brief recess, and help Sen. Bradley get a quarum and get established at an official meeting and then slip back to hear your testimony. What's your schedule?

Mueller: I don't have a schedule, Senator. ....

Sturg: Could we, ah, we'll take about a 10 minutes recess and then we'll come back to hear the additional testimony.

Dickey: Senator, could I just

Sturg: Just a moment, Mr. Dickey go ahead.

Dickey: Just a last burst of wisdom.

Sturg: Oh, my, I can hardly wait. (Laughter)

Dickey: I would hope that the self-destruct on the bill would also tie with the self-destruct on the tax. (Laughter)

Sturg: Very good. We'll be back in ten minutes. Thank you.

SB

4

COMMITTEE REPORT

SENATE

FURTHER: None

1/15/79

Date: January 25, 1979

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 4

relating to worker's compensation for volunteer police

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

[x] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Patrick Rodey

Tim Kelly

Terry Stimson

Bob Mulcahy

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____

CHAIRMAN

S 60 (Rev. 12/78)

Pls Send Cassette.

Committee Log Book - 1979

Tape Number 1

Side Number 1

Dates 1/25/79 to ——

S/RA - Senate
Committee

Bill Numbers Discussed

SB4									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1-25-79	000		Start
1:25 PM	161	SB4	Witness Lock, Pres. Bd., Dept. Commerce
	246		" Cook, Dept Labor
	402		Tape Ended
			Committee Recom. - "Do Pass"

1-25-79

Committee Log Book - 1980

Tape Number 1

SENATE C/RA / Chairman Sturgulewski

Committee

Side Number 1

Dates 1/25/79 to ------

Bill Numbers Discussed

SB 4									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
[illegible]0	000	SB 4	Chairman Sturgulewski opened meeting.
	161		Don Koch, Insurance Division/ Dept. of Commerce
	246		Cook, Dept. Labor
	402		Meeting Adjourned - Unan. "do pass"

NAMES Thurs. 1/25/79 HB4 - Intro. re

Louis J BENCARINO Sewall Police Chief

Terry P HANSON Criminal Justice Planning

V. Fate Putman Sen ? Rodey

John P. Cook

Don Kral

John George

Patricia McCarter

Wesley Miller

DIVISION OF INSURANCE

" "

C & P A Dept

Alaska Nat. Gas Pipeline

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Bob Mulcahy, Vice-Chairman
Terry Stimson
Tim Kelly
Patrick Rodey
Bill Ray, Sponsor
All Interested Parties

FROM: Arliss Sturgulewski, Chairman

RE: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, January 25, 1979

1:30 p.m. SB 4 An Act relating to worker's compensation for volunteer police.

ALASKA STATE LEGISLATURE

MEMORANDUM

January 24, 1979

NOTE TO FILE: PUBLIC MEDIA NOTIFIED FOR SB 4 HEARING C/RA

I Notified

1/24/79 - Alaska Municipal League, Marilyn Miller (6-1325)
" - Alaska Police Standards Council (4378)
" - Mr. Specking, Secretary Rebecca, Governor's Office
" - St. Dept. C/RA, Mr. Palmer McCarter's Secretary
" - Ho. C/RA
" - [illegible] & Secret Senate, [illegible]

Gene Notified

- Mr. Lee Sharp, City/Bor. Jnu Attorney
- St. Dept. of Public Safety

1/23/79 - Anch. Municipality Mayor's Adm. Ass't., Mitch Gravo
- St. Div. of Insurance, Dept. of Commerce & E.D.
- Criminal Justice Planning Agency, Terry Hansen
- Cook, Dept. of Labor.

SB

6

COMMITTEE REPORT

SENATE

1/15/79

FURTHER: Finance

Date: 2-20-79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SENATE BILL NO. 6

special appropriation to Dept. of Community & Regional affairs for purchase of public works equipment for Craig & Klawock; eff. date

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

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

PATRICK MONEY

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____
CHAIRMAN

S 60 (Rev. 12/78)

2/20/79

Committee Log Book - ~~1980~~

Tape Number 1

SENATE C/RA COMMITTEE

Committee

Side Number 1

Present: Chairman Sturgulewski, Senators Rodey, Stimson
ABSENT: Senators Mulcahy, Kelly

Dates 2/20/79 to _____

Bill Numbers Discussed

SB 6	BOARDS AND COMMISSIONS								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2/20/79 1:35 p.m.			Hearing called to order by Chairman Sturgulewski
	10	SB 6	Representative Freeman
	49		Chairman Sturgulewski
	56		Rep. Freeman
	66		Sen. Stimson
	71		Rep. Freeman
	78		Chairman Sturgulewski
	83		Palmer McCarter/ Dept. C/RA
	95		Chairman Sturgulewski
	97		Mr. McCarter
	119		Chairman Sturgulewski
	122		Mr. McCarter
	123		Chairman Sturgulewski
	124		Sen. Rodey "Do Pass - Stimson concur. No objections
	142	BOARDS COMMISSIONS	Sen. Stimson/and Rodey
	149		Sen. Stimson
	152		Chairman Sturgulewski
	161		Sen. Rodey
	178		Chairman Sturgulewski
	185		Hearing Adjourned / 2 p.m.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Mike Colletta
Senator Robert Ziegler
Representative Terry Gardiner
Representative Oral Freeman

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING BUTROVICH ROOM, 207 Capitol Building

Tuesday, February 20, 1979

1:30 p.m.

SB 6 - An Act making a special Appropriation to the Department of Community and Regional Affairs for the purchase of public safety and public works equipment for the cities of Craig and Klawock; and providing for an effective date.

Committee
Present: Chairman Chet Sturgulewski, Sen. Patrick Rodey, Sen. Jerry Simpson
Absent: Senators Bob Mulcahy & Jim Kelly

Committee Log Book - 1979

Copy in Perm. folder

Senate Cmte
Committee

Tape Number 1

Side Number 1

Dates 2/20/79 to

Bill Numbers Discussed

SB6									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-20-79 1:35			Bill called to Order by Chairman Sturgulewski
	10	SB6	Representative Freeman/Res.
	49 56		Chairman Sturgulewski Rep. Freeman
	64 71		~~Chairman~~ Sturgulewski Sen. Stimson Rep Freeman
	78 85		Chairman Sturgulewski Palmer Weather/Dept Crop
	95 99		Chairman Sturgulewski Mr. Worcester
	119 122		Chairman Sturgulewski Mr. Worcester
	123 124		Chairman Sturgulewski Sen. Rodey "Do Pass"
	126 127		Sen. Stimson "Do Pass" Committee - "Do Pass"
	143-3	Bill Commissions Crops	Sen. Stimson & Sen Rodey
	149		Sen. Stimson
	153		Chairman Sturgulewski
	161 198		Sen. Rodey Chairman Sturgulewski
	185		Hearing Adjourned - 2 PM.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Mike Colletta
Senator Robert Ziegler
Representative Terry Gardiner
Representative Oral Freeman

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING BUTROVICH ROOM, 207 Capitol Building

Tuesday, February 20, 1979

1:30 p.m.

SB 6 - An Act making a special Appropriation to the Department of Community and Regional Affairs for the purchase of public safety and public works equipment for the cities of Craig and Klawock; and providing for an effective date.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 6
Title An act--- for purchase of ---equipment for ---Craig & Klawock
Requested by Senate Community and Regional Affairs Dat. 2/1/79

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Community and Rural Development

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	-0-	-0-				
200 TRAVEL	-0-	-0-				
300 CONTRACTUAL	-0-	-0-				
400 COMMODITIES	-0-	-0-				
500 EQUIPMENT	-0-	-0-				
600 LAND & STRUCTURES	-0-	-0				
700 GRANTS, CLAIMS, ETC.	-0-	-0-				
TOTAL	-0-	-0				

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

NO FISCAL IMPACT

IV. DATE 2-2-79 PREPARED BY Daniel G. Kanouse
AGENCY Community and Rural Development Division
PHONE 465-4708

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

33 001 (Rev. 10/78)

SB

8

T

SB 8
We have blue jacket.
Ref to C/RA

SB 8 Senator Sumner – Gen Act creating the technical services contract fund & providing for an effective date.

Sen Dunkel requested ✓ of married hearing. Find out from Peggy what we are to do – OK

Left call for Chuck 1/23/79
notified 7 actors & suggested he would want to take a close look in Jamaica.

January 23, 1979

NOTE TO THE FILE:

Re Senate Bill 8. Senator Sturgulewski notified Commissioner of Commerce & Economic Development of Senate action - bill waiver and change to Finance Committee - this date.

Twyla, Secretary
Senator Sturgulewski's Office

SB

16

SB 16

Jenny Chitwood / AML
Dept. C/RA
Dept. Transportation

All Expressed desire that if this proposed legislation is Approved - the total Revenue Sharing is increased proportionally.

Chenoweth

5778

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST... Session

SENATE BILL..... NO. 16.....

By ...KERTTULA AND FERGUSON..

"An Act increasing state aid to local governments for road maintenance; and providing for an effective date."

increasing state aid to local governments

Introduced in the Senate 1/15..., 19.79

HISTORY IN THE SENATE

19 79

1 15 Read first time and referred to Committee on Community & Regional Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. .....

31-001

Committee Log Book -

Tape Number 1

SENATE C/RA
Committee

Side Number 1

Dates 3/1/79 to

Bill Numbers Discussed

SB 16	SB 137								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30	000		Chairman Sturgulewski opened meeting
	42		?
	53		Mayor Bearup, Soldotna / Ak. Mayors Conference & Se
	89		Chrmn. Sturgulewski
	93 120		Mayor Bearup Chairman Sturrgulewski
	132 169		Mayor Bearup Senator Kerttula
	175 198		Chairman Sturgulewski Mayor Bearup
	212 235		Chairman Sturgulewski Sen. Kelly
	240 244		Mayor Bearup Sen. Kelly
	284 286		Chairman Sturgulewski Sen. Kelly
	292 333		Chairman Sturgulewski Palmer Mc Carter/ Dept. C/RA
	416 418		Chairman Sturgulewski Sen. Kelly/ Palmer
	462		Sen. Sturgulewski
	470 474		Sen. Kelly Palmer MCcarter
	491		TAPE END

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Frank Ferguson
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, March 1, 1979

1:30 p.m.

SB 16 - An Act increasing State aid to local governments for road maintenance; and providing for an effective date.

SB 137 - An Act relating to the Municipal Code; and providing for an effective date.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (updated)

I. REQUEST
Bill/Resolution No. S B 16
Title Increased State Aid to Local Governments for Road Maintenance
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Local Government Assistance - Grants

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	0	2,097.5	2,244.3	2,401.4	2,569.5
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	2,097.5	2,244.3	2,401.4	2,569.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Between FY 77 and FY 79, mileage approved for State revenue has increased at approximately 7%. FY 80 increased at 7.5%. Therefore, it will be assumed that an average increase of 7% will continue.

If appropriations are insufficient to fund 100% for any fiscal year, a proration factor can be applied to the above amounts as, full funding was assumed in the calculation of these figures.

FY 80 State Revenue Sharing program - Approved Mileage

Public Roads	1553.32 miles x $1500 =	$ 2,329,980
Ice Roads	252.09 miles x $ 900 =	226,881
		2,556,861
Average cost-of-living adjustment @ 15%		383,529
		$ 2,940,390

(continued)

IV. DATE 2-8-80 PREPARED BY Steve Van Sant
AGENCY Community & Regional Affairs
PHONE 465-4787

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

33-001 (Rev. 10/78)

FY 81 Project Mileage and Additional Funds Needed for Increased Aid.

Public Roads	1662.05 miles x $1000 =	$ 1,662,050
Ice Roads	269.72 miles x $ 600 =	161,844
		1,823,894
average cost-of-living adjustment @ 15%		273,586
Total additional funding needed for increased aid		$ 2,097,480

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 16
Title Increasing state aid to local governments for road maintenance
Requested by Senate Community & Regional Affairs Date 2/19/80

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
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 -0-						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill will not have a fiscal impact on DOT/PF because it only updates the departmental designation from Department of Highways to Department of Transportation and Public Facilities (DOT/PF).

As requested, an estimate of the cost per mile of road maintained by DOT/PF is included. Based upon the 1981 budget request the average statewide cost per mile is $7500. Before any conclusions could be reached concerning a comparison of the cost with revenue sharing payments, an analysis of the roads, traffic, weather conditions and numerous other factors would need to be performed.

IV. DATE 2/19/80 PREPARED BY
AGENCY DOT/PF
PHONE 465-3900

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

33-001 (Rev. 12/79)

2-19-80 - Public Hrg
Hrg.

SB 16 - other
Hold until 3-6 - Hearing
Passed

SB 16

Committee Log Book - 1979

Tape Number IX

Senate C/PA - Chairman Sturgulewski
Committee

Side Number (1) & (2)

Mbrs. Present: Sen. Kelly, Rodey, Stimson
Absent: " McCarty

Dates 2-19-80 to —

Bill Numbers Discussed

SB 16									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 2-19-80	000	SB 16	Start - Chrmn Sturgulewski gave summary
	100		Marilyn Mills, AML - urge Full Funding Rev Sharing
	154		Sen. Stimson Question - Full Funding & 3¢ Rev Sharing
	196		Sen. Kelly - Questions HB 192
	218		Sen Rodey
	289		Palmer McCarter - Dept C/PA
	335		Sen. Stimson - Rd mile & Estimate Cost?
	364		Sen. Kelly - Hold Hearing till rec'd. until cost revenue
	370		" Rodey - concurred
	384	CS SB 436	Sen. Sturgulewski - Summary
	467		Sen Kelly - "do Pass"
			Senators Rodey & Sturgulewski Concurred
	470	SB(CS) 131	Sen. Sturgulewski - Summary
	564		Keith Kelton Dept. Environ. Conservation re Committee intent "Construction"
	593		Sen. Kelly - Disc distribution purposes
	620		Sen. Sturgulewski - will request a legal opinion & forward to Finance

(over)

Keith Kelton (cont'd)

629 ——— Sen. Rodey - Basically rural program?

660 "CS" SB131 DAN Opp? Kodiak So. Borough

684 Kelly move "Do Pass with individual recommendation"
Rodey, Stimson "Do Pass"

697-SB408 Jeff Haynes - Dept. Nat. Resources

841 Sen. Kerttula

S.d.=② 200 Palmer, McCarter - Dept. C/RA

229 Jeff Haynes - Dept. N. R.

289 Sen. Stimson

350 Mtg. adjourned. (Agreement to hold bill for further input from DNR)

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA Mtg.

~~3/11 — Sen Testwide~~ 2-19-80

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
SB 4	Wendell Mills	UK Farm Bureau
SB 408	Frank Rose	Dept. Nat. Res.
SSB 121	Kelly Thomas	D
SSB 036		
SB 108	JEFF HAINES	DNR Planning

Senate C/RA

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 16 & S.B. 137

3-1-79

SB 16 & 137

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
THOMAS E BEARUP	P.O. BOX 409 GOODNEWS BAY	ALASKA MAYOR'S CONFERENCE

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Frank Ferguson
All Interested Parties

FROM: Arliss Sturgulewski as
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, March 1, 1979

1:30 p.m.

SB 16 - An Act increasing State aid to local governments for road maintenance; and providing for an effective date.

SB 137 - An Act relating to the Municipal Code; and providing for an effective date.

2/21/79

Notified

Sen. Secretary
St. Dept C/RA
CRT Operator
Sen. Colletta

SB 16 } All MAYORS
SB137 } Dept. Transportation & P.F.
H.M.L.
SB 16 Gerald Sharp, City Sol. Atty
Don Berry
SB 16 Sen. Hohman
SB 16 Asst-Mtr Vehicles Div. (Cert Copies)
137 Gov.'s Off.

TWX—Vern Roberts / Dir.
Div. Mtr Vehicles / P.S. - Hack

Thurs., March. 1, '79 1:30 / Butro Room
SB 16 & SB 137.

Our Administrative Assistant Gene Walsh thought you might be interested in SB 16.

T.H.
Sen. S. Office.

Called Operator 10:15 A.M.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 16
Title Increased State Aid to Local Governments for Road Maintenance
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected Local Government Assistance - Grants

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.	-0-	1,695.6	1,814.2	1,941.2	2,077.1	2,222.5
	TOTAL		1,695.6	1,814.2	1,941.2	2,077.1	2,222.5

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	1,695.6	1,814.2	1,941.2	2,077.1	2,222.5
FEDERAL FUNDS		0	0	0	0	0
OTHER (Specify)		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)

Between FY 77 and FY 79, the mileage approved for State revenue sharing has increased at the rate of 7% each year. It is assumed this trend will continue.

If the revenue sharing appropriation is insufficient to fund at 100% for any fiscal year, the proration factor can be applied to the above amounts. Full funding was assumed when these figures were prepared.

FY 79 State Revenue Sharing Program - Approved Mileage

Public Roads	1,277.8 miles x $1,500 =	$1,916,700
Ice Roads	166.84 miles x $ 900 =	150,156
		$2,066,856
Average cost-of-living adjustment @ 15%		310,028
		$2,376,884

(con't on next page)

IV. DATE 1-30-79 PREPARED BY Mary Foster
AGENCY CRA - LGAD
PHONE 4733

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

III. ANALYSIS (continued)

FY 80 State Revenue Sharing Program - Projected Mileage & Additional Funds Needed for Increased Aid

Public Roads	1,367 miles (includes 7% increase) x	$1,000 =	1,367,000
Ice Roads	179 miles (includes 7% increase) x	600 =	107,400
			1,474,400
Average cost-of-living adjustment @ 15%			221,160
			1,695,560

SB

126

IN THE SENATE

SENATE BILL NO. SB 126

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

* Section 1. AS 29.28.040 is amended to read:

Sec. 29.28.040. REQUIREMENTS FOR [MAJORITY] ELECTIONS. (a) If in a municipal election no candidate received in excess of 40 per cent of the votes cast for his respective office, the assembly or council shall hold a runoff election within two weeks from the date of certification of the election between the two candidates receiving the greatest number of votes for the office. Notice of a runcff election shall be published at least five days before the election.

(b) The assembly or council may by ordinance require a majority vote for election of officials. A runoff election or other means of obtaining a majority may be used.

(c) The assembly or council may, by ordinance, exempt the municipality from the requirements of (a) of this section and provide for plurality vote for election of officials.

Introd 2/9/79

By S - C/RA

IN THE SENATE BY ~~STURGULEWSKI~~

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

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WORK ORDER REQUEST FORM

ITP 6220 S2 1/20

KEYWORDS: Elections, municipal

ASSIGNED TO Chenoweth

REQUEST FOR: BILL [X] RESOLUTION [ ] RESEARCH [ ] OTHER [ ]

SUBJECT Municipal Elections

REQUESTED FOR Senator Sturgulewski - BY Gene Walsh EXT. 3712

* DELIVER TO Senator Sturgulewski - Assembly 100 TAKEN BY Berrier

INSTRUCTIONS, EXPLANATIONS

Prepare for introduction HB 125 (1977) relating to requirements for runoff elections in municipal elections. See attached.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED [ ]

AUTHORIZED TO CONFER WITH

RETURN

TO REQUESTER

APPROVED: BGB Director, Legal Services

Director, Research

REVIEWED

IN 1/31 DUE

TYPED - Draft DATE

Final DATE

PROOFED DELIVERED

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT [ ] FINAL [ ]

LA-L 10

Senate's Copy

IN THE SENATE

~~BY STURGULEWSKI~~

By Sen. C/RA

SENATE BILL NO.

2/8/79 TO Sen. Sec'y

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

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

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(c) The assembly or council may, by ordinance, exempt the municipality from the requirements of (a) of this section and provide for plurality vote for election of officials.

Acquisition

A. One of the alleged benefits to accrue from the enactment of the Alaska Public Utility Commission Act was an amicable solution to the service area conflicts between competing utilities. To further this commendable objective, the League, therefore, supports legislation which would allow municipalities operating utilities to acquire the facilities of a competing utility under specific terms which would fairly compensate the competing utility.

Sewage Disposal

A. The League opposes regulations which would limit the Clean Water Act of 1977 from excluding municipalities adjacent to tidal fluctuations from the requirements of secondary treatment where the receiving waters do not merit secondary treatment for sewage effluent disposal into ocean waters.

B. The League also endorses the concept of the State of Alaska's paying up to 75% for sewage and water systems constructed by municipalities under the State of Alaska Construction Grant Program.

C. The League endorses an amendment to Federal Law which would allow the operational cost of sewage treatment facilities to receive general fund support from the State of Alaska and its municipalities.

Solid Waste

A. The League supports legislation which would authorize up to 75% of the costs of capital improvements for construction of solid waste disposal facilities by municipalities under the State of Alaska Construction Grant Program. This program shall be applicable to those facilities currently under construction at the time the Act passes.

Fresh Water

A. The League endorses amendments to federal and state regulations to permit waivers of the Fresh Water Drinking Standards.

PART VII
MUNICIPAL ELECTIONS

Majority Elections

A. The League supports legislation which would amend 29.28.040 to allow municipalities to determine, by local option, what percentage of votes cast is necessary for election to municipal office.

Gene....no offense but something more important has come up and I can't meet with you this morning.

Here are a couple of comments that may help you in deciphering the League's intent on the 40% bill.

First of all, the printed language (old SB 125) is what we would like to have introduced and passed. "A municipality may be ordinance exempt itself from the requirements of this section and provide for plurality vote for election of officials".

This would give the municipalities the right to decide for themselves if they want the 40% runoff provision that is now in state law.

It is also necessary to clarify what the 40% refers to - 40% of the votes cast or 40% of the voters voting.

For instance: In an election where candidates run at large there may be 6 people running for 3 seats, the top 3 would be elected. Let's say that 100 people voted. The 100 voters would cast 300 votes (one for each seat open). Now, does the 40% refer to the 300 votes cast or the 100 voters who cast them? It would be much more difficult to get 40% of the 300 votes cast than 40% of the 100 voters which would mean more runoffs, hence costly to the municipality.

7/31/79 to Legal Services Majority Elections .4.

Introduced: 2/4/77
Referred: Community & Regional Affairs

BY THE RULES COMMITTEE
BY REQUEST

IN THE SENATE

SENATE BILL NO. 125

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

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

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

Need to Clarify 40% of Votes (Legal opinion) or 40% of Voters

This is Question on Present law.

Rec. To do this or Change Present Law To provide the Above

check w/AML cities to see what problem.

with Leg Com in Town 8/1 - 8/2

SB

129

2-27-79

Committee Log Book - 1980

Tape Number 1

SENATE C/RA

Side Number 1

Committee

Dates 2/27/79 to

Chairman Sturgulewski
Mbrs Present: Senators Kelly, Stimson
" Absent: Senators Mulcahy, Rodey
Bill Numbers Discussed

SB 129									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30		SB 129	Chairman Sturgulewski called meeting to order.
			Commissioner Ward, DOT-PF
			Senator Hackney
			Commissioner Ward
			Ray Shumway, Dep. Com. Gen.- Design & Construction
			Sen. B Farenkamp
			Palmer McCarter, Director, Div. Local Govern.
			Assistance/ Dept. C/RA

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Glenn Hackney
All Interested Parties

FROM: Arliss Sturgulewski (as)
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, February 27, 1979

1:30 p.m. SB 129 - An Act relating to State use of materials sites in boroughs.

3-2-79

Committee Log Book - 1979 ~~1980~~

Tape Number 1

Side Number 1

SENATE C/RA Chairman Sturgulewski

Committee

Dates 3/2/79 to _____

Others Present: Senators Mulcahy and Kelly

" Absent: Senators

Bill Numbers Discussed

SB 137	SB 145	SCR 12	SB? 129						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:33			Chairman Sturgulewski called the meeting to order.
		SB 137	
	48		Tom Bearup, Mayor, City Soldotna for Mayors Conf.
	153 161		Sen. Kelly Chairman Sturgulewski
	167 169		Sen. Kelly Chairman Sturgulewski
	214 279		Mr. Nordale Chairman Sturgulewski
	295 388		Palmer McCarter, Director, Dept. C/RA Chairman Sturgulewski
	391 398		Sen. Kelly Mr. Nordale
	418 429		Sen. Kelly Chairman Sturgulewski
	433 462		Palmer McCarter, Dept. C/RA Sen. Kelly
	464 471		Palmer McCarter, Dept. C/RA Jack Chenoweth, Legal Services Division
	474 484		Sen. Kelly Chairman Sturgulewski
	488 494		Palmer McCarter, Dept. C/RA Sen. Kelly
	508 528		Chairman Sturgulewski Sen. Kelly, Motion to adopt amendment/Hold Bill
	543	SCR 12	HOLD BILL UNTIL TUESDAY Chairman Sturgulewski
	562 590		Don Gilman/ Mayor/ Mayors Conference Speaker Roger Allington/Co-Chair, AK. Cstl Policy Cncl.
	578		Murray Walsh, Staff, and Fran Almer Mr. Walsh
	689 713		Ken Showalter, Sohio Petroleum Co. Jim Clark, Ak. Logger's Assoc.
	778		Mr. Allington
	804		Sen. Kelly
	840		Sen. Mulcahy Mtn to move SCR 12
	843		

B - Let. of Intent

855 - SB 145

876 - Mayor Gilman

961 Sen. Kelly

1025 Mr. Allington

1160 Sen. Kelly

1172 Mr. Chenoweth/ Legal Services
Murray Walsh

1211 Mr. Allington

1244 Mr. Chenoweth

1249 Mr. Allington

1290 Murray Walsh/Sen. Sturgulewski

1365 Mr. Allington

1425 Sen. Kelly

1461 Sen. Sturgulewski

1468 Sen. Kelly

1478 Mr. Allington

1494 Mr. Walsh

1511 Sen. Kelly

1515 Mr. Allington

1602 Sen. Kelly

1610 Mr. Allington

1625 Sen. Kelly

1627 Mr. Allington

1641 Mr. Walsh

1646 Chairman Sturgulewski

1650 Mr. Chenoweth

1658 Mr. Walsh

1661 Ken Showalter, Sohio

1708 Sen. Kelly

1710 Mr. Showalter

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 145 SCR 12, SB 129 SB 137

3-2-19

	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
Re or SCR 12 SB 145	Dan Gilman	BOX 850, SOLDOTNA	Kenai Peninsula Borough
~~SB 129~~ SB 145 SCR 12	ROGER ARLINGTON	6 REGH JUNEAU	ACPC
SCR 12 SB 145	MURRAY WALSH	POUCH AP JUNEAU	ACPC STAFF
SB 145 SCR 15	Ken Thomalter	Room 222, Terrace Hotel	SOHIO
SCR 12	Jim Clark	P.O. Box 1271 Juneau	Alaska Loggers' Assn
SB 137	Thomas E. Healy	PO Box 927 Soldotna	CITY OF SOLDOTNA AK.

Notified 2/21/79

Sen. Secretary
St. Dept. C/RA
CRT Operator
Sen. Corbetta

- - -

+ - Veronica Clark (Pat McInerney)
(Kimball Pub Office) 4750
- All MAYORS
- Dept. Transportation & Pub. Fac.
- Dept. Nat. Resources
- AML
- Sen Berry
- Mark Gerson (assoc. Gen. Contractors)

COMMITTEE COPY - DUPLICATE

#6266 - Baldwin

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

SENATE BILL NO. 129

By HACKNEY

"An Act relating to state use of materials sites in boroughs."

Introduced in the Senate 2/12/, 19 79

HISTORY IN THE SENATE

19	79	
		Read first time and referred to Committee on
2	12	C & RA and Resources
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-001

SB

131

COMMITTEE REPORT

SENATE

2/12/79

FURTHER: Finance

Date: 2-19-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 131

issuance of general obligation bonds in amount of $8,000,000 for sewerage systems construction

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)

[X] replace with CS for _____ [ ] same title [X] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Patrick Regan
Tom Stimatz

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tom Kelly - No Rec

CHAIRMAN

S 60 (Rev 12/78)

Do Pass

SB 131

Committee Log Book - 1979

Tape Number IX

Senate C/RA - Chairman Sturgulewski
Committee

Side Number (1) & (2)

Mbrs Present: Sen. Kelly, Rodey, Stimson
Absent: " McCarty

Dates 2-19-80 to —

Bill Numbers Discussed

SB 16									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 2-19-80	000	SB 16	start - Chairm Sturgulewski gave summary
	100		Marilyn Mills, AML - supp Full Funding Rev Sharing
	154		Sen. Stimson Question - Full Funding x 3 yrs Local
	196		Sen. Kelly - Conducive HB 192)
	218		Sen Rodey
	289		Palmer McCarter - Dept C/RA
	335		Sen. Stimson) - Add mile Estimate Cost
	364		Sen. Kelly - Hold until other sharing bill read.
	390		" Rodey - concurred
	384	CS SB 430	Sen Sturgulewski - Summary
	467		Sen Kelly - "do Pass"
			Senators Rodey & Sturgulewski concurred
	470	SB(CS) 131	Sen. Sturgulewski - Summary
	564		Keith Kelton Dept. Environ. Conservation to Committee intent "Construction"
	593		Sen. Kelly - pipe distribution purposes
	620.		Sen. Sturgulewski - will request a legal opinion & forward to Finance

(over)

Keith Kelton (cont'd)

629 _____ Sen. Rodey - Basically rural program?

660 "CS" SB131 DAM Opp? Kodiak & Borough

684 Kelly move "Do Pass with individual recommendation"
Rodey, Stimson "Do Pass"

697-SC 408 Jeff Haynes - Dept. Nat. Resources

841 Sen. Kerttula

Side (2) 200 Palmer, McCarter - Dept. C/RA

229 Jeff Haynes - Dept. N. R.
Sen. Stimson

289

350 Mtg. adjourned. (Agreement to hold bill for further input from DNR)

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA Mtg.

~~Title~~ - Subject

2-19-80

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
SB 6	Gordon Miller	OK Farm Bureau
SB 408	Frank Rue	Dept Wat. Res.
SSB 131	Kelly Kellogg	D
SSB 436		
SB 408	JEFF HAINES	DNR / Ranch M

Committee Log Book - 1980

Senate C/RA

Committee

Tape Number 116

Side Number 1 & (2)

Dates 2-14-80 to —

Mbs. Present: Chairman Sturgeweski
Senators Kelly & Stimson

" Absent: Senators Reading & Kelly

Bill Numbers Discussed

SB	SR (CS)	HB [illegible]
436	131	SB 348-354

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
REC 2-14-80	174	SB 436	Commissioner Lindley / Dept. Environmental Conservation
	369	" "	Jerry Ballard / AHFC
	392		Dave Udall
	635		Fred Kito - Dept. Environmental Conservation
	647	—	End
	674	see SB 76	John Hartle Dept Labor - Texas Lines
	825		Marie Greenwalt Deputy Commissioner DCA
Side ②	841		Fred Boswell - Anchorage Municipality
67	000	2	Jerry Ballard / AHFC
	207		Senator Kelly - Questions to Mbrs - DS - then Rec. with Senator Kelly re. CRA.
			Rep. Bettisworth & Anderson now
			Agenda - Bill Anderson CSSB 348-354

Sen. C/RA 479.
1:30PM. PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING
2-14-80

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
TAPE SSB 348 JOHN E. POST	P.O. Box 1149 Juneau	Alaska Dept of Labor Chief of Research
Quinn Cleland	204 N Franklin St Juneau, AK 99801	Ak Municipal League
DAVE WALSH	510 'L' ST Suite 207 Anchorage, AK 99501	AK MUNI LEAGUE ANCHORAGE
E.W. Mueller	POUCH O	DEC

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator George Hohman
Senator Frank Ferguson
Senator Mike Colletta
All Interested Parties

FROM: Senator Arliss Sturgulewski AS
Chairman

SUBJECT: COMMITTEE MEETING - ASSEMBLY BUILDING, ROOM 207

Thursday, March 8, 1979

1:30 p.m.

SB 204 - An Act relating to public utility rates.

SB 2 - Continued from February 22: An Act relating to the comprehensive recycling and reduction of litter and imposing a litter reduction assessment; and providing for an effective date.

Committee Discussed SB 131
Did Not Move - -

3/6/79

Committee Log Book - 1979

Tape Number 1

SENATE C/RA / Chairman Sturgulewski
Committee

Side Number 1

Dates 3/6/79 to ---

PRESENT: Senators Kelly, Stimson, Rodey, Mulcahy
No Absent

Bill Numbers Discussed

SB 132	SB 140	SB 201	SB 137	SB 131					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30			Chairman Sturgulewski called meeting to order.
	005	SB 132	Sen. Kerttula
	7		Sen. Tillion
	71		Sen. Kelly
	115		Sen. Mulcahy / against bill
	128		Chairman Sturgulewski
			Sen. Rodey/ Motion to Move
	147		Sen. Mulcahy object
	170		Sen. Tillion
	215		Sen. Mulcahy
	224		Perry Lovitt, City of Cordova Assoc.
	264		Rick Lauber, Representing Pacific Seafood Processors
	382		Sen. Mulcahy
	392		Chairman Sturgulewski
	394		Ginny Chitwood, Alaska Municipal League
	415		John Messenger, Dept. of Revenue
	423		Sen. Kelly
	451		Sen. Mulcahy
	461		Sen. Kelly
	462		Sen. Tillion
	484		Sen. Sturgulewski
			Sen. Kelly move with letter of intent- ramification particularly in pollack fish
	488		Sen. Mulcahy
	493		Sen. Kelly
	494		Sen. Mulcahy/ Letter of Intent
			Chairman Sturgulewski
			Sen. Mulcahy / Do not pass
±			Sen. Rodey / No rec.
	501		Sen. Rodey
	506		" "
	511		Sen. Tillion
	515		Sen. Rodey

OVER

SB 140

519	Chairman Sturgulewski
534	Sen. Ray
540	Sen. Sturgulewski
561	Sen. Rodey
570	Sen. Kelly
586	Sen. Sturgulewski
594	Sen. Ray
597	Sen. Rodey
601	Sen. Ray
605	Sen. Rodey
625	Sen. Sturgulewski
	Sen. Rodey moved to adopt CS
633	Sen. Kelly
636	Sen. Rodey
643	Sen. Kelly
656	Sen. Ray & Sen. Kelly
675	Chairman Sturgulewski
681	Sen. Rodey
689	Chrmn. Sturgulewski
691	Sen. Stimson
697	Sen. Rodey MOVED DO PASS WITH INDIVIDUAL RECOMMENDATIONS
706	Sen. Ray

SB 137

710	Chrm. Sturgulewski
727	Sen. Kelly
732	Sen. Rodey
734	Ginny Chitwood, Ak. Municipal League
737	Sen. Kelly & G. Chitwood
751	Sen. Stimson, G. Chitwood, Sen. Stimson
758	Sen. Kelly, G. Chitwood
764	Doug Griffin, Dept. C/RA - clean up bill
789	Sen. Stimson
790	Chrmn. Sturgulewski
794	Sen. Kelly
803	Chmn. Sturgulewski
805	Sen. Rodey
808	Sen. Rodey - Mtion to adopt CS SB 137 with am change
813	Sen. Rodey & Mulcahy - pas CS, as amended - do pass

SB 201

830	G. Chitwood
837	Sen. Rodey
840	Sen. Kelly - move to pass with individual recommendation

ADJOURNED 3:05

SB 131 ~~[redacted]~~ Not Acted Upon

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 6, 1979

1:30 p.m.

SB 131 - An Act providing for the issuance of general obligation bonds in the amount of $8,000,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date.

SB 132 - An Act relating to the refund of raw fish tax receipts to local government; and providing for an effective date.

SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

3-8-79

Committee Log Book -

Tape Number 1

Side Number 1&2

Senate C/RA
Committee

Dates 3-8-79 to

Present: Chrmn. Sturgulewski, Senators Stimson, Rodey, Mulcahy

Bill Numbers Discussed

SB 2	SB 204	SB 131	SB 205	SCR 9					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P.M.	000	SB 2	Chairman Sturgulewski
			Sen. Mulcahy Mtn. bring "CS" before Committee
			David Olerud-Haines - Nat'l Fed. Independent Business
			Mr. DeBoy - Dir. - Gordon Youth Center
			Sen. Kelly, amend to Dept. Env. Cons.
			Sen. Mulcahy move to pass w/ind. rec.
			Decision to have work session tomorrow Beltz Rm
		SB 204	Carolyn Gucss - APUC Commissioner
			Sen. Hohman
			Bob Tochus
			Carolyn Gucss
			Mulcahy
			Rodey
			Hold until tomorrow Gucss to work @ Hohman
			David Hutchinson AK Dis Cooperative Assoc.
			Jerry Larson, Mgr., Engineering Dept.
		SB 131	John Scribner, Dir. Water Programs
			Sally Hanson, Sen. Fertula's AA
			Palmer McCarter Dept. C/RA - objection
			Sen. Stimson move to pass CS w/ind rec - No objection

Committee Substitute for Senate Bill 131 presently reflects:

1. Title and body contents of SB 342

2. $10 million G.O. Bond increase - covering solid waste facilities, plus new wording when relating to same.

3. $ 6 million G.O. Bond increase - raising State share from 50% to 75%

Committee Substitute for Senate Bill 436 presently reflects:

1. Page 1, line 10, section 1 - new wording (per Dept. Environmental Conservation request) to incorporate the raising of the State share from 50% to 75%

2. Amending typewriter error, page 1, line 28 to read (d) instead of (e)

3. Page 2, Line 21, Section 5 - adding a new paragraph stating "solid waste" definition as stated in HB 353, (per D.E.C. request and in answer to Mr. Baldwin's concern, our bill drafter.)

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

The Alaska Municipal League urges amendment of CSSB 131 to provide for up to 75% state funding of municipal water and sewer projects that are not already receiving 75% EPA funding.

Currently EPA participates only in sewer interceptors and treatment plants. Sewerage collection and water distribution systems do not receive federal funding except for a few projects that have small EDA grants of 10%.

Equity: The state increasing the percentage of state support for those projects will go a long way toward reducing the inequitable burden that property owners must bear in paying for necessary basic water and sewer services. As it stands now, the property owner pays anywhere from 12.5% to 50%, depending on the nature of the project.

Relief for Property owners and Tax Payers: As I'm sure you are aware, the local share of water and sewer projects is paid by assessments on local property. Increasing the state share will provide direct relief to property owners and tax payers by reducing local improvement district assessments.

Price of Land: A big issue for the last couple of years has been the high cost of land. One reason for the high prices in developable suburban areas is the high cost of installing water and sewer systems. Increasing state participation in providing those systems will help to lower the cost of making land available for use.

I realize there is a problem with language in the bill to incorporate the proposed change. Because we are not advocating increasing the state share on EPA funded projects, we cannot simply change the 50% in the current law to 75%. I'm sure, however, if the committee accepts the concept, the professional bill drafters will be able to find acceptable language.

Possible questions:

1. What is the Village Safe Water Plan? What communities are involved?

   What is evaluation criteria? Past Projects, etc.

   Standards used for design decisions? Life cycle, maintenance costs? other ?

   Initial start with the communities - procedure? Options/alternatives presented to communities?

2. Water Sewer facilities construction grants - who does assessment on new systems? Community? Dept.?

Does Dept. check with communities, on their land use plan? Does Dept. follow communities land use plan? Exceptions?

How thoroughly are options to traditional (pipe) systems explored?

How many other communities does Dept. feel might end up in Skagway's situation? What is electrical percentage estimated for Sitka's new plant?

What happens if secondary treatment requirement waivers are not granted? How many waivers have been requested?

Dept. seems to have attitude - communities design,(if money available,)they build, or Dept. will help their design and communities can build..

Other Fed. agencies who might possibly be involved w/ Fed funding?

Environmental Development Administration?

Farmer's Home Adm.?

Overview / Dept. Environmental Conservation

What determines a community is eligible for Fed. funds for water/sewer grants? Mostly if collector systems are not involved.

Federally funded programs - have priorities
State and community programs - no priority list

If communities are eligible for Fed. grants - percentage breakdown:
- 75 % - Federal money
- 12 1/2 % - State Money
- 12 1/2 % - Local Participation

If just State/Community: 50 % State // 50 % Community = funding

Fed. requirements: Community must put in water/sewer plant with both primary and secondary facilities...
(3rd level (tursory?) gets 85 % Fed. funds if communities desire that phase.)
water/sewer mandatory State law - 1977??

Communities can get waivers depending on certain conditions for secondary facility. None have yet been granted, but applications are pending.

Federal agency: Environmental Protection Agency (EPA)
Economic Development Admin.

Questions

SB 131

CONSIDER COMMITTEE SUBSTITUTE

CONSIDER AMENDMENT TO COMMITTEE SUBSTITUTE
(50-75% increase of state share)
Both Dept. of DEC and Ginny Chitwood, AML will speak

Testimony of

Ernst W. Mueller
Commissioner of Environmental Conservation

On Senate Bill 342

Before the

Senate Committee on Community and Regional Affairs

February 12, 1980

Now SB 131

I am Ernst W. Mueller, Commissioner, Department of Environmental Conservation. I am here today to testify on SB 342, for the provision of bond funds for the award of grants to build water and sewerage facilities throughout the State of Alaska. These funds are administered by my Department in the Facility Construction and Operation Section. Two programs are included in the bond bill:

(1) Construction grants, which are available only to incorporated municipalities. Fifty percent of non-federally financed costs can be granted. Costs of operation and maintenance support of water and sewerage facilities are not grant eligible under this program.

(2) Village Safe Water. Grants under this program are available with populations ranging between 25 and 600, or to second class cities. One hundred percent funding is available for construction. Costs of operation, and maintenance support of facilities are grant eligible, these funds are included in the Department's operating budget.

The capital budget submittal fully describes these programs and a detailed delineation of the $25.520 million bond request. The primary purpose of the program is to improve sanitation facilities, improve public health and protect the quality of the environment. A secondary benefit results from stimulation of the local economy due to employment opportunities generated during construction. In the case of the VSW projects, which are performed under force account by the villages, valuable construction and management skills are imparted to the community.

This program differs from other State capital construction programs in that the Department has no firmly established set of projects at the time the bond funds are requested, or even when approved by the voters. Construction grants projects are developed by the municipal grantee in accordance with local planning requirements. They proceed at a pace selected by municipalities. The Department is often unaware of the specific project until an application is received. Therefore, to meet continually changing needs, it is necessary to have adequate funds available upon demand. Of course, the Department has performed a statewide needs assessment to provide us with basic information of sewage and water supply requirements.

In order to assure that there are adequate funds available, the Department projects past bond obligation rates and then adds an

inflation factor to forecast future needs. This process is explained in the capital budget submittal. To date, this method has been very accurate. The $23.0 million request is nearly identical with the need forecast two years ago. Having an adequate supply of bond funds available allows us to meet all grantee requests without requiring us to determine which communities can construct facilities when there are not funds available for all communities' needs. The program can run on a first-come, first-served basis.

Having adequate funds also has a secondary benefit in that the Department's administrative procedures and costs can be kept lower, since we are not required to establish a detailed ranking of priorities among the communities. If priority allocation of funds was necessary, the Department would be forced to require additional paper work from the grantee to enable us to make these decisions.

The VSW needs are also projected, based on past expenses for building a standard type of facility. The actual facilities to be built have not yet been determined. However, the bush caucus has been provided with a priority list of projects detailing in which communities the Department feels the greatest public health needs exist. The $2.520 million requested for the VSW Program would fund approximately three new projects. This

amount is suggested due to the limitations of our existing small staff to handle new projects. Since the VSW projects require a far greater amount of staff work per project than does the construction grants program, we are limited to approximately two new projects per engineer. If the Legislature chooses to fund more than the first group of projects listed on the priority list, the Department would like the opportunity to submit an additional fiscal note to assure that proper staffing becomes available.

The Department favors SB 342 for $25.520 million if there are no changes in AS 46.03.030. If AS 46.03.030 is amended by either adding solid waste facilities or changing the percentage of grant funding, the dollar amount in SB 342 needs to be increased, so that the projects can be funded. The eligibility of solid waste facilities would require an additional $8-$10 million in SB 342. In addition, an appropriation of $2.5-$3 million to cover the time period July 1, 1980 to December 31, 1980 would be required, so that communities would have money available immediately for solid waste purposes. A fiscal note has been prepared showing an increased need to hire more staff for the operation of the expanded grants program. This fiscal note requests a total of $82,700 to cover the salaries and support costs of an engineering position and an administrative assistant. The Department endorses the concept of adding solid waste facilities to our grants program if adequate funding is provided.

Increasing the percentage of grant participation above the current level of 50 percent is a serious concern of the Department. It has been our experience that as the grantee's percentage of project contribution is lowered, there is often a corresponding decrease in the level of active project participation by the grantee. The 50 percent level of funding appears to be adequate to ensure that the grantee administers this project properly. It is also probable that should State grants be increased to too high a percentage of total project cost, municipalities would have little interest in applying for federal grants (which require more paper work). The EPA provides approximately $18-20 million per year for sewerage system projects in 75 percent grants. The State then provides an additional 12.5 percent for a total of 87.5 percent in grant funding. If, for example, the State grant percentage was raised from 50 percent, there would be a strong likelihood that some communities would settle for a lesser total grant to avoid EPA grant requirements. An immediately increased annual demand of $18-$20 million on the State bond funds could result.

Should the Legislature choose to alter either the grant percentage or include solid waste facilities as grant eligible, a corresponding increase in the amount of the bond proposition will be required if the same number of projects are to be funded in the future.

Thank you for this opportunity to provide comments on SB 342. I would be glad to provide any further information you may need.

* * * *

Called Keith Kelton
3-24-80 & Sent
Copy

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM March 17, 1980

SUBJECT: CSSB 131 - G. O. Bonds for sewers

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

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

You have indicated that the Department of Environmental Conservation has indicated it would prefer deletion of the word "construction" on lines 9, 13, 21, and 25 of page 1, and lines 4, 18, and 23 of page 2, and replacement by the term "capital improvements".

I do not see any problem this would cause.

BGB:ljb

75 file

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 28, 1980

James A. Van Altvorst
City Manager
City of Ketchikan
Box 7300
Ketchikan, Alaska 99901

Dear Mr. Van Altvorst:

Thank you very much for your letter of support for CSSB 436, "An Act relating to grants for water supply, sewerage systems and solid waste facilities" and CSSB 131, "An Act providing for the issuance of general obligation bonds in the amount of $41,520,000, for the purpose of paying the costs of water and sewerage system and solid waste facility construction." Your letter is right to the point and I fully concur with your comments.

As you know, I sit as Chairman of the Senate Community and Regional Affairs Committee. Substantial work was done by the committee in conjunction with the Department of Environmental Conservation on this legislation. The legislation does address the solid waste disposal problem which creates concerns in so many areas of Alaska as well as giving incentive for solid waste recovery systems. Please be assured that I will support this bill before the Senate Finance Committee. I will make a copy of your letter available to the staff of Senator John Sackett. Thank you for sharing.

Sincerely,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-H

cc: Senator Sackett

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION
JAY S. HAMMOND, GOVERNOR
POUCH O – JUNEAU 99811

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

February 26, 1980

Dear Senator Sturgulewski:

As presented during the committee hearing on S.B. 436, February 19, 1980, the Department of Environmental Conservation has a concern regarding the substitution of the word "construction" for "capital improvements" in the title and body of the bill. In the past, this program has funded items such as water delivery vehicles and honey bucket trucks, and we would wish to continue this practice. These items may not be included in a definition of construction but could certainly be included as capital improvements.

We would appreciate a statement of legislative intent that the wording substitution does not modify the Department's practice of funding some non-construction costs, particularly rolling stock. A legal opinion obtained from the Director of Legal Services stating that no problem exists with the substitute wording would satisfy our concerns. If such an opinion is obtained, we would appreciate it being forwarded with the bill and fiscal note to the Senate Finance Committee.

Sincerely,

Ernst W. Mueller
Commissioner

INTRODUCTION OF BILLS (Senate)(cont'd)

Bond Issue (water & sewer systems)

SENATE BILL NO. 342, by the Rules Committee by request of the Governor. Provides for the issuance of $25,520,000 in general obligation bonds to pay cost of capital improvement for water and sewer systems. Funds will be allocated to Village safe water construction grants ($2,520,000) and urban water and sewer construction grants ($23,000,000). Provides amount withdrawn from the Public Facility Planning Fund for advance planning shall be reimbursed from proceeds of bond sale. Provides question be placed before voters at next general election. Effective immediately.

Introduced January 18 and referred to HE&SS and Finance.

Other Action on Bills

Bond Issue (water & sewer systems)

SENATE BILL NO. 342 (see p. 16). January 21 the Health, Education & Social Services Committee referral waived at the request of Senator Hackney, Chairman of HE&SS. Referred to Community & Regional Affairs, then to Finance.

STATE
of ALASKA

MEMORANDUM

TO: Mr. Keith Specking
Legislative Assistant
Office of the Governor

DATE: February 26, 1979

FILE NO:

TELEPHONE NO:

FROM: Ernst W. Mueller
Commissioner
Department of Environmental Conservation

SUBJECT: SB 131
Proposed 1979 Sewerage Construction Funds

The enactment of this bill would produce inequities in the funding process for Alaskan communities constructing water and sewerage systems.

Some communities would be eligible for the 90 percent funding provided through this bill; others would remain under AS 46.03.030, which provides for funding "up to 50 percent of the estimated cost not borne by the federal government."

If the formula for construction grants is to be modified, it should be done by revising the statute, to assure fair treatment of all Alaskan communities.

We believe that localities should bear a meaningful part of the cost of construction of these facilities. This is one way to ensure the local need for and interest in capital improvements.

Further inequities may result from the fact that SB 131 authorizes funding only for sewerage systems. Under AS 46.03.030, communities are eligible for grants for construction of both water and sewerage systems.

At present, federal construction grants are provided by the United States Public Health Service, the U. S. Department of Housing and Urban Development, the Farmers Home Administration, the U.S. Economic Development Administration, and the Coastal Energy Impact Program. Through federally-funded programs, the State is currently able to provide up to as much as 87.5 percent of the costs for sewerage and water systems.

We recommend that:

1. introduction of this bill be held over to the 1980 session to allow consideration with other bond issues; and also when additional information is needed for new projects in 1980-1982.

2. the match ratio be changed to (a) the lesser of 50 percent of total cost; or (b) 50 percent of the non-federal project costs (consistent with AS 46.03.030); and

3. funding be allowed for both water and sewerage systems.

Title 46. Water, Air and Environmental Conservation.

SB 131

Chapter 03. Environmental Conservation.

Article 2. Department of Environmental Conservation.

Section
20. Powers of the department
30. Grants and loans for water supply and sewerage systems

Sec. 46.03.020. Powers of the department. The department may

(10) adopt regulations necessary to effectuate the purposes of this chapter, including, by way of example and not limitation, regulations providing for

(A) control, prevention and abatement of air, water, or land or subsurface land pollution;

(B) safeguard standards for petroleum and natural gas pipeline construction, operation, modification or alteration;

(C) protection of public water supplies by establishing minimum drinking water standards, and standards for the construction, improvement, and maintenance of public water supply systems;

(D) collection and disposal of sewage and industrial waste;

(E) collection and disposal of garbage, refuse, and other discarded solid materials from industrial, commercial, agricultural and community activities or operations;

(F) Repealed by § 12 ch 172 SLA 1978.

(G) control of pesticides;

(H) such other purposes as may be required for the implementation of the policy declared in § 10 of this chapter;
(am § 12 ch 172 SLA 1978)

Effect of amendments.
The 1978 amendment, in paragraph (10), repealed subparagraph (F), which read "control of radiation sources to prohibit and prevent unnecessary radiation."

As the rest of the section was not affected by the amendment, it is not set out.

Editor's note. — Section 10, ch. 172, SLA 1978, provides: "Regulations adopted under authority of statutes repealed or amended by this Act shall remain in effect until repealed by the Department of Environmental Conservation in consultation with the Department of Health and Social Services."

Sec. 46.03.030. Grants and loans for water supply and sewerage systems. (a) Repealed by § 19 ch 220 SLA 1976.

(b) The department may grant to a municipality, as funds are available, up to the lesser of 50 per cent of the eligible cost or 50 per cent of the eligible cost not financed by the federal government, for public water supply, treatment and distribution systems and public sewage collection, treatment and discharge facilities for which construction has not commenced on or before June 21, 1976. The eligible cost of a project or portions of a project will be as determined by the federal agency granting the most monetary assistance. On projects or portions of projects, for which federal participation is not available, eligible costs will be determined by the department in accordance with (d) of this section. Projects shall be constructed in accordance with plans and specifications approved by the department.

(c) There is a water supply and sewerage systems fund created in the department to carry out the purposes of this section.

(d) When not otherwise defined by a federal agency for the purposes of (b) of this section, "eligible costs" includes, in addition to costs directly related to the project, the sum total of all costs of financing and carrying out the project. These include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary. (§ 3 ch 120 SLA 1971; am §§ 2, 19 ch 220 SLA 1976; am §§ 30, 31 ch 168 SLA 1978)

Effect of amendment.
The 1978 amendment added "in accordance with (d) of this section" to the end of the third sentence of subsection (b) and added subsection (d).

Presented by
Daniel Ogg / Deputy mayor
Kodiak

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental proction of all citizens is involved.

Name	Address	Box #
Dick Juelson	Spruce Cape Rd.	P.O Box 286
June Juelson	"	Box 286
Diana A Peterson	Spruce Cape Road	Box 1633
Petrina A. Peterson	" " "	" "
[illegible]	Spruce Cape Road	Box 2702
Dorothy E. Boulos	Spruce Cape Rd.	Bx 2702
Ron Beasley	Spruce Cape Rd	Box 1904
Marie V. Beasley	Spruce Cape Rd	Box 1904
Earl Brangaccio	Spruce Cape RD	Box 1031
[illegible]	Spruce Cape Rd	Box 2263
[illegible]	Spruce Cape Rd	Box 2898
[illegible]	Spruce Cape Rd	Box 3498
Kenneth M. Holland Sr	Spruce Cape Rd	Box 608
Carolyn J Holland	Spruce Cape	Box 608
Wayne A Fuglo	" "	Box 3003
[illegible]	" "	" "
Dennis Riley	Spruce Cape Rd	P.O. Box 1114
Patrick Anderson	Spruce Cape Rd.	P.O. Box 1673
Art Zimmer	Island Lake Rd.	P.O. Box 1582
Geoffrey Cessna	Miller Point	Box 694
Dale Findley	Spruce Cape Rd.	Box 3107
Margaret Emmons	Mission Road	Box 2272
John Brisco III	Island Lake Lot 4 Blk 3	Box 1513
[illegible] M. Brisco	Island Lake	Box 1513
Mark Schrock	Island Lake	Box 473
Stephanie Krug	Spruce Cape Rd.	Box 2966
[illegible]	Miller Rd.	Box 1244
Debbie Vorhis	Miller Rd	Box "
Paul L Tuck	NAUGHTONS SUBD.	Box 162
Melissa A Matsuura	Regan Rd Ext.	Box 2078
Mary K Nelson	Mission Rd.	Box 802
Lee Franklin	Mission Rd	Box 705
Melodee Morris	Mission Rd.	Box 1974
Jesse Mark	"	"

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental proction of all citizens is involved.

Name	Address	Box #
Donald S. Erdman	Spruce Cape	Box 394
Dorothy Erdman	Spruce Cape Rd.	Box 394
Connie Jo Moore	Spruce Cp. Rd	POB 2027
Frances L. Flanagan	Spruce Cape Rd.	mailing address P.O. Box 240 Support Center
Ernest M Flanagan	" " "	" " "
Ernest R Flanagan Jr.	- - - -	- - -
William E. Rodgers	Spruce Cape Rd.	P.O. Box 421
Nancy Rodgers	Spruce Cape Rd	P.O. Box 421
Dena Gonzales	Spruce Cp Rd	POB 2209
Danny Gonzales	"	"
[illegible]	Spruce Cp Rd	Box 3134
[illegible]	Spruce Cp Rd	Box 3134
Eleanor Wozenski	Spruce Rd	Box 3165
Dawn Murphy	SPRUCE CAPE Rd	Box 2704
[illegible]	" "	Box [illegible]
[illegible]	" "	Box 3081
George Kurz	Spruce Cape	Box 3152
Patricia Helm	Spruce Cape	Box 1584
Chris Helm	Spruce Cape	Box 1584
Leonard Bottorff	Spruce Cape	Box 2215
Wayne Kwasnikoff	SPRUCE CAPE	Box 137
Christine Kwasnikoff	Spruce Cape	Box 137
Jon Mitchell	Spruce Cape	Box 2145
Mike Murray	"	Box 2145
K E DeVol RS	Spruce Cape Road	Box 355
Barry DeVol	Spruce Cape RD.	Box 355
Vonnie DeVol	Spruce Cape RD	Box 355
MaryLou Knuckles	Spruce Cape Rd.	Box 1683
Tony Hill	Spruce Cape Rd	Box 2030
LaDonna Hill	SPRUCE CAPE RD	Box 2030
Granville E. Wilbur	Spruce Cape Rd	Box 188 Box 55
Barbara L. Wilbur	Spruce Cape Rd	Box 188 Box 55
D. Scott Robinson	Spruce Cape Rd	Box 3058 Town
Teresa A. Robinson	Spruce Cape	Box 3058 Town

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental ~~protection~~ protection of all citizens is involved.

Name	Address	Box #
Patricia C. Szabo	Island Lake	1633
Nick Szabo	ISLAND LAKE	1633
Kevin Campbell	Island Lake	1822
Kelly Campbell	Island Lake	1822
INGRID PETERSON	ISLAND LK.	1971
Charles Jones	Island Lake	3066
Esther Jones	Island Lake	3066
Carl M. Moen	Island Lake	3074
Winifred Moen	ISLAND LAKE	3074
Dan Moen	ISLAND LAKE	3074
[illegible]	ISLAND LAKE	2985
Dinaj Kmiec	Island Lake	[illegible]
Jan [illegible]	Island Lake	2241
Cathy Flores	Island Lake	2893
Barbara Tsopanoglou	Is Lake	3093
Bill [illegible]	Is. Lake	3093
C A Olsen	Is Lake	2972
Marjorie Kendall	Island Lake	3116
Clyde Ross Kendall	Island Lake	3116
[illegible]	[illegible]	[illegible]
Mary K Ford	Island Lake	2872
Cathy Hunter	Island Lake	1701
Duncan Hunter	Island Lake	1701
Dolores Boyle	Island Lake	642
Michelle Boyle 0642	Island Lake	642
Susan Thompson	Island Lake	94
Irvine M. Warren	Island Lake	3073
Sindy Ruth	Island Lake	2284
Ida Emmanuel	Island Lake	1384
Ellen Ross	Island Lake	1661
Burton C. Parker	Island Lake	Box 2801
Matt Doney	Island Lake	Box 2801
Duane Freeman	Island Lake	Box 912

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental proction of all citizens is involved.

Name	Address	Box #
Patricia Kentley	Cut off Road	Box 208
Chris Jenson	Jacksons Jr.	355
Barbara Kris	Spruce cape	# 49 2922
Carol L. Lee	Jacksons Jr. Spruce Cape Rd	# 3133
Marie Leighton	Mission Rd.	452
Joan M. Monks	cutoff Road	Box 1754 Kodiak
Judy Robbins	Spruce Cape Rd.	Box 2921 Kodiak
Beverly Malutin	Mill Bay Rd.	Box 525
Catherine Jacoby	Spruce Cape Rd	Box 951
Carl A. Amylon	Mill Bay Rd	Box 465
Eleanor Blanchett	Mill	
Peter Zimin	Island Lake	Box 1582
Charles F. Demmert	Island Lake	Box 1384
Dennis Day	Spruce Cape	Box 2971
Cynthia Pistoresi	Island Lake	Box 37
Dave Williamson	Mill Bay	Box 1361
Steve Williams	Cliffside Lap	Box 2582
Virginia B. Dick	Shahafka Acres	Box 2182
Gladys Monks	Spruce Cape	Box 2451
David M Hibbs	Island Lake	Box 2900
Ross F Blanchett	514 Willow St.	Box 573
Robert West	Spruce Cape	Box 1561
E & E Evans	Mill Bay	Box 1247
Art Carlson	Spruce Cape	Box 42
Barbara Sheratine	Spruce Cape	Box 2574
Dan Marcus	Island Lake Rd.	Box 2515
Ted Poggas	Spruce Cape Rd	Box 2396
Lois Stover	Island Lake	Box 727
Jim Olson	Island Lake	Box 5115
Lee Schoon	Spruce Cape Rd	Box 2048
James W Parker	Island Lake Road	Box 4117
Thomas Thurston	Mill Bay	Box 1097
Charles F. Demmert	Mill Bay	P.O Box 701
Christopher G. Knowles	Woodland Acres	Box 1057

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental proction of all citizens is involved.

Name	Address	Box #
Grant Van Bare/	Spruce Cape Rd	G.D.
Sheryle Van Bare/	"	Gen. Delivery
Dr (illegible)	Spruce Cap. Rd	Gen Delivery
Barbara Slaght	Spruce Cape Rd	Box 2670
Andrew Hawkins	Spruce Cape Rd	Box 2365
Dorothy McKillop	Spruce Cape Rd	Box 2731
Kenney Beshears	Spruce Cape Rd	Box Del Sol
Michael F Amberg	Spruce Cape Rd.	Box 170 CG Base
(illegible)	Spruce Cape Rd.	General Delivery
James Lunan	Mill Bay Rd.	Box 1865 c/o Dowell
Donna Christensen	Mill Bay Rd	Box 825
Nadene Silva	Gen. Del.	
Terri Amberg	Spruce Cape Rd	Box 170 USCG Base
Ginger Allen	Spruce Cp. Rd.	Bx 1898
Robert L Coleman	Spruce Cp Rd.	Box 2518
Robert A Hale	Mill Bay Rd	Box 1631
(illegible)	Spruce Cape Rd.	Box 414
(illegible)	Spruce Cape Rd.	Box 414
Don L. Randolph	Spruce Cape Rd	Box 414
Brett Randolph	Spruce Cape Rd.	Box 414
Robert Hemrick	Spruce Cape Rd	Box 2812
Rebecca Hemrick	Spruce Cape Rd.	Box 2812
Wells Hemrick	Spruce Cape Rd	Box 2812
Debbie Barbier	Spruce Cape Rd	Box 1341
Deborah A Wren	Mission Rd.	Box 1603
W. T. L.	" "	" "
S Magnuson	cut off Rd	Box 155T
C Magnuson	" "	Box 516
M Magnuson	" "	" "
Brenda Fox	Citrol Rd	Box 1053
Lars Magnuson	Cut Off Road	Box 301
Pauline Magnuson	Cut off Road	Box 301
Karl K. Dilworth	" "	Box 208
Neil S. Chandler	Spruce Cape Rd	Box 1635

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental proction of all citizens is involved.

Name	Address	Box #
[illegible] Jackson	Spruce Cape	1215
Harold Bunch	" "	1215
Dennis McFadden	" "	2072
R Edwards Rd	" "	355
[illegible] Sheridan	" "	2276
Michael W. Nichols	" "	2836
Carl Erickson	Chopka acres	Box 1552
Linda Rockstad	Spruce Cape Rd.	Box 3078
Celeste Oviatt	Spruce Cape Rd.	Box 545
[illegible] Oviatt	Spruce Cape Rd	Box 545
Lloyd W Davis	Spruce cape Rd	Box 2223
Gordon Wilson	Chopka tabs ct #	Box 2697
Phil Roberts	Spruce Cape Rd.	Box 1922
[illegible] Kowalski	Spruce Cape Rd	Box 1161
Christine Oviatt	Spruce Cape Rd	Box 1161
Brian Muller	Spruce cape Rd	Box 2713
Marie Fischer	Spruce Cape Rd	Box 2307
Mary W. Dillon	Spruce Cape Rd	Box 2402
Barbara Courtney	Spruce Cape Rd	Box 2402
Deanne Reyes	Spruce Cape	Box 2088
Kenneth R. Beaubien	Spruce Cape	Box 1341
Cindy Nelson	Cliffside Rd	Box 2228
[illegible] D Ray	Fir Terrace	Owen Del.
Harold Stelmach	Resp. Patient	Box 2603
Kim Kreher	Mission Rd	Box 802
Joanne Hodgins	Spruce Cape	Box 37
Roxanne Duncan	Spruce Cape	Box 2862
[illegible]	"	"
[illegible]	[illegible]	[illegible]
Jon Fuhs	Shibafica Acres	Box 2306
[illegible]	"	[illegible]
Kristy A. Sapp	Spruce Cape	Box 326
[illegible]	Spruce Cape	Box [illegible]
Neil Chandler	spruce cape	Box 1635

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental proction of all citizens is involved.

Name	Address	Box #
Verne Wood	Spruce Cape	2063
Betty Wood	Spruce Cape	2063
Debbie Castro	Spruce Cape	2715
Alva L Post	Spruce Cape	2715
Thomas Klein	Spruce Cape	1802
Edward Gardner	Spruce Cape	60
Bruce Krantz	Spruce Cape	2482
Bob Corbett	Spruce Cape	2941
Veronica Abelciak	Carol St.	785
H. Dutch Lawson	Spruce Cape	—
Mary Jo Dahl	Spruce Cape	2642
Tobye Lawson	Spruce Cape	2642
Penny Perkins	Spruce Cape	2642
Edna Davis	Spruce Cape	2783
Martin F Gatto	Island Lake	Box 2009
George D. Day	Spruce Cape Rd	Box 627
James A Falconer	Mill Bay Rd	Box 1467
Arnold R. Shead	Spruce Cape Rd.	BOX 2081
Eric R. Johnson	Spruce Cape Rd.	BOX 686
Tonya A. McCrary	Island Lake	Box 235
Earl C. Peterson	Island Lake	Box 1712
Peter B. Green	Cliff Side Road	2683
Ann McDonchat	1833 Mission Rd.	Box 531
Ben Ballenger	Island Lake	Box 126
Sharon Ledbetter	Nova Way, Island Lake	Box 2043 Kodiak
Karen LeDoux	Island Lake	Box 2043
Lori Carroll	Spruce Cape Rd	Box 2485
Donna M. Wiest	Spruce Cape Rd	Box 22 Kodiak
Lori Doyle	Spruce Cape	Box 1233
Karen White	Island Lake	Box 1132
Willie McPadden	Chiniak	Box 191
Kenneth C. Tuck	Manitou Subdiv.	Box 162
Tom Uhl	Pam site	Box 2743
Linda L. Hastings	Spruce Cape Rd	Gen. Del. Box 1133 Kodiak
Mary A. Dunn	Mill Bay Rd	Box 1133 Kodiak

The undersigned residents of borough service district #1 hereby petition the legislature of the state of Alaska to fund 90% of the non federal portion of the cost of water and sewer service to this district based on the fact that the health and environmental proction of all citizens is involved.

Name	Address	Box #
Beverly L Wren	Spruce Cape Rd	Box 15
Gayle Severson	Spruce Cape Rd.	Box 1336
Louise Hall	Spruce Cape Rd.	Box 1122
Beryl N Lagoon	Spruce Cape Rd	P.O. Box 2864
James R. Lagoon	Spruce Cape Rd.	P. O Box 2864
Ken Boyer	Spruce cape	P.O. Box 771
Janet Tatt	Spruce Cape	P.O. Box 1807
Donald B Foster	Spruce Cape	P.O. Box 804
Connie M Naumoff	Spruce Cape	Gen. Del.
M A Nelson	Spruce Cape	Box 143
Britta Hirschberger	Spruce Cape	Box 143
Mildred E Peterson	Spruce Cape	Box 2066
Don L Mack	Spruce Cape Rd	Box 2108
Mary E Mack	Spruce Cape R.	Box 2108
Ronald G Mack	Spruce Cape Rd	Box 2108
Mrs John Talbert	Spruce Cape Rd	Box 2665
Upper Kamenty	Spruce Cape Rd	Box 1878
Christine Englert	Spruce Cape Rd	Box 2854
Pat Bolt	Spruce Cape Rd	Box 1324
Pat Cunningham	Spruce Cape Rd.	Box 2945
Jack Cyal	Spruce Cape Rd	Box 2666
Shirley A Kuiper	Spruce Cape Rd	Box 2878
Donald A. Kuiper	Spruce Cape Rd	Box 2878
John Wiedmann	Spruce Cape Rd	Box 2875
Frederick J. McFadden	Spruce Cape Rd.	Box 2072
Linda L. Kelsea	Spruce Cape Rd.	Box 2672
Chuck Kelsea	Spruce Cape RR	Box 2672
Mrs Dallas Holden	Spruce Cape Rd	Box 2674
Dallas Holden	Spruce Cape Rd.	Box 2674
Ruth P. McClain	Spruce Cape Rd	Box 1788
L Bunts		
Peter Tweed	Mill Bay Rd.	Box 454
Beverly M Jones	Cutoff Rd	Box 624

For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of $35,520,000 for the purpose of paying the cost of capital improvements for water and sewer and solid waste facilities systems; and providing for an effective date."

Introduced: 2/12/79
Referred: Community & Regional Affairs and Finance

IN THE SENATE BY KERTTULA

SCS SENATE BILL NO. 131

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of ~~$8,000,000~~ #35,520,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date."

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

* Section 1. For the purpose of paying the cost of capital improvements for water ~~and~~ sewer and solid waste facilities systems, general obligation bonds of the state in the principal amount of not more than #35 ~~$8~~,520,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1980 Water Supply, and Sewerage Systems and solid waste facilities fund Fund" shall be established, to which shall be credited the proceeds of the sale of bonds described in Sec. 1 of this Act except for accrued interest and premiums. There is appropriated from the "1980 Water Supply, ~~and~~ Sewerage Systems ~~Fund~~ and Solid Waste Facilities fund to the Department of Environmental Conservation the amount of #35 $2,520,000, allocated in accordance with the following projects and estimates:

	Project	Location	Amount
(1)	Village safe water construction grants	Statewide	$ 2,520,000

(2) ~~Urban~~ Municipal water, ~~and~~ sewer, and solid waste facilities con-

struction grants Statewide ~~23,000,000~~ 33,000,000

* Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of $89,400, or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed from the proceeds of the sale of bonds authorized by this Act.

* Sec. 5. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next general election and shall read substantially as follows:

Proposition

State General Obligation Water Supply, ~~and~~ Sewerage ~~Systems~~ & Solid Waste facilities

Bonds ~~$25,520,000~~ $35,

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $~~25~~35,520,000 for the purpose of paying the cost of capital improvements for water, ~~and~~ sewerage and solid waste ~~systems~~ facilities.

Bonds Yes [ ]

Bonds No [ ]

* Sec. 6. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Addt'l $ 6-8 mil
AML Inc. 50-75%

IN THE SENATE BY KERTTULA

C S SENATE BILL NO. 131

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

A BILL

For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of $35,520,000 for the purpose of paying the cost of capital improvements for water and sewerage systems and solid waste facilities; and providing for an effective date."

*Section 1. For the purpose of paying the cost of capital improvements for water, sewerage systems and solid waste facilities, general obligation bonds of the state in the principal amount of not more than $35,520,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1980 Water Supply, Sewerage Systems and Solid Waste Facilities Fund" shall be established, to which shall be credited the proceeds of the sale of bonds described in sec. 1 of this Act except for accrued interest and premiums. There is appropriated from the "1980 Water Supply, Sewerage Systems and Solid Waste Facilities Fund" to the Department of Environmental Conservation the amount of $35,520,000, allocated in accordance with the following projects and estimates:

Project	Location	Amount
(1) Village safe water construction grants	Statewide	$ 2,520,000

(2) Municipal water, sewerage and solid waste facilities construction grants	Statewide	33,000,000

*Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of ~~$89,400~~ #124,320, or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed from the proceeds of the sale of bonds authorized by this Act.

*Sec. 5. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next general election and shall read substantially as follows:

Proposition

State General Obligation Water Supply, Sewerage and Solid Waste Facilities

Bonds 35,520,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $35,520,000 for the purpose of paying the cost of village and municipal capital improvements for water, sewerage and solid waste facilities?

Bonds yes ( )

Bonds ( )

* Sec. 6. This Act takes effect immediately in accordance with AS 01.-10.070(c).

SB

132

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

2/12/79

Date: 3/6/79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 132

refund of raw fish tax receipts to local government

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 SB 132. [ ] same title [ ] new title

and recommends the following

[X] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tom Kelly
Do Pass - With intent letter

Tony Stevens

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Pat Carney Do Pass

Bill Bradley Do Not Pass

Walter J. Hickel
CHAIRMAN

S 60 (Rev. 12/78)

3/6/79

Committee Log Book - [redacted]

Tape Number 1

Side Number 1

Dates 3/6/79 --- to _____

SENATE C/RA / Chairman Sturgulewski
Committee

PRESENT: Senators Kelly, Stimson, Rodey, Mulcahy
No Absent

Bill Numbers Discussed

SB 132	SB 140	SB 201	SB 137	SB 131					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30			Chairman Sturgulewski called meeting to order.
	005	SB 132	Sen. Kerttula
	7		Sen. Tillion
	71		Sen. Kelly
	115		Sen. Mulcahy / against bill
	128		Chairman Sturgulewski
			Sen. Rodey/ Motion to Move
	147		Sen. Mulcahy object
	170		Sen. Tillion
	215		Sen. Mulcahy
	224		Perry Lovitt, City of Cordova Assoc.
	264		Rick Lauber, Representing Pacific Seafood Processors
	382		Sen. Mulcahy
	392		Chairman Sturgulewski
	394		Ginny Chitwood, Alaska Municipal League
	415		John Messenger, Dept. of Revenue
	423		Sen. Kelly
	451		Sen. Mulcahy
	461		Sen. Kelly
	462		Sen. Tillion
	484		Sen. Sturgulewski
			Sen. Kelly move with letter of intent- ramification particularly in pollack fish
	488		Sen. Mulcahy
	493		Sen. Kelly
	494		Sen. Mulcahy/ Letter of Intent
			Chairman Sturgulewski
			Sen. Mulcahy / Do not pass
±			Sen. Rodey / No rec.
	501		Sen. Rodey
	506		" "
	511		Sen. Tillion
	515		Sen. Rodey

OVER

SB 140

519 Chairman Sturgulewski
534 Sen. Ray
540 Sen. Sturgulewski
561 Sen. Rodey
570 Sen. Kelly
586 Sen. Sturgulewski
594 Sen. Ray
597 Sen. Rodey
601 Sen. Ray
605 Sen. Rodey
625 Sen. Sturgulewski
Sen. Rodey moved to adopt CS
633 Sen. Kelly
636 Sen. Rodey
643 Sen. Kelly
656 Sen. Ray & Sen. Kelly
675 Chairman Sturgulewski
681 Sen. Rodey
689 Chrmn. Sturgulewski
691 Sen. Stimson
697 Sen. Rodey MOVED DO PASS WITH INDIVIDUAL RECOMMENDATIONS
706 Sen. Ray

SB 137

710 Chrm. Sturgulewski
727 Sen. Kelly
732 Sen. Rodey
734 Ginny Chitwood, Ak. Municipal League
737 Sen. Kelly & G. Chitwood
751 Sen. Stimson, G. Chitwood, Sen. Stimson
758 Sen. Kelly, G. Chitwood
764 Doug Griffin, Dept. C/RA - clean up bill
789 Sen. Stimson
790 Chrmn. Sturgulewski
794 Sen. Kelly
803 Chrmn. Sturgulewski
805 Sen. Rodey
808 Sen. Rodey - Mtion to adopt CS SB 137 with am change
813 Sen. Rodey & Mulcahy - pas CS, as amended - do pass

SB 201

830 G. Chitwood
837 Sen. Rodey
840 Sen. Kelly - move to pass with individual recommendation

ADJOURNED 3:05

SB 131 ~~F~~ Not Acted upon

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 6, 1979

1:30 p.m.

SB 131 - An Act providing for the issuance of general obligation bonds in the amount of $8,000,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date.

SB 132 - An Act relating to the refund of raw fish tax receipts to local government; and providing for an effective date.

SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

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SB 132 - An Act relating to the refund of raw fish tax receipts to local government; and providing for an effective date.

SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

04-D3LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

February 21, 1979

The Honorable Arliss Sturgulewski
Chairman
Senate Community and Regional
Affairs Committee
Room 100 - Assembly Building
Juneau, AK 99801

Dear Senator Sturgulewski:

SENATE BILL NO. 132

Senate Bill No. 132, an Act relating to the refund of raw fish tax receipts to local government, was introduced in the Senate on February 12, 1979 and was referred to the Senate Community & Regional Affairs and Finance Committees.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable John C. Sackett
Chairman
Senate Finance Committee

John Messenger
Commissioner
Department of Revenue

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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 132

Title Raw Fish Tax

Requested by Community & Regional Affairs & Finance Date 2-12-79

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Development

Budget Request Unit(s) Affected Shared Taxes

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
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	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

There is no additional cost to administer the Bill. The General Fund will decrease in the amount shown as the additional raw fish tax revenue is shared.

IV. DATE 2-16-79 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

SB

134

COMMITTEE REPORT

SENATE

2/12/79 FURTHER: Finance

Date: 3-8-79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 134

special appropriation to Dept. of Community & Regional Affairs for grants to municipalities

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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tim Kelly

Tony Hunter

Helen Augustine

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Ted Peterson Jr.

Peter Hoffman

Helen Augustine
CHAIRMAN

S 60 (Rev. 12/78)

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT _____

ATTENTION Jim Cole

- ☐ Approval
- ☐ Signature
- ☐ Comment
- ☐ Contact Me
- ☐ Prepare Reply
- ☐ For Your File
- ☐ Note & Return
- ☐ Initial & Return
- ☐ Return As Requested
- ☐ Return For Approval
- ☐ Necessary Action
- ☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 2000

DEPARTMENT _____

BY _____ DATE 3/23

02-002 (REV.10/73)

Term. Acte

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

MAR 15 1979

I. REQUEST
Bill/Resolution No. CS for Senate Bill 134
Title Special appropriation. . .for grant to municipalities and VFD's
Requested by Senate C & RA Committee Date

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	0	0				
PART TIME	0	0				
TEMPORARY	0	0				

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

CS for Senate Bill 134 calls for $106,327 to be appropriated to make grants to the following recipients who did not receive State Revenue Sharing due to late submission of their applications. The funding listed is prorated at the State Revenue Sharing level of 88.712%.

City of Lower Kalskag	$11,275
City of Seward	86,165
City of Upper Kalskag	4,633
Copper Center VFD	3,313
Illiamna VFD	941

These figures represent the maximum amount of funding each applicant may receive upon verification of eligibility.

IV. DATE 3/13/79 PREPARED BY Doug Griffin
AGENCY C & RA - LGAD
PHONE 465-3918

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

33-001 (Rev. 10/78)

SB

137

COMMITTEE REPORT

SENATE

FURTHER: None

2/12/79

Date: 2/6/79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 137

relating to the municipal code

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)

[X] replace with CS for SB137 [ ] same title [ ] new title

and recommends do pass

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tim Kelly

Tony Smith

Pat Reilly

Bob Marbut

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 6, 1979

1:30 p.m.

SB 131 - An Act providing for the issuance of general obligation bonds in the amount of $8,000,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date.

SB 132 - An Act relating to the refund of raw fish tax receipts to local government; and providing for an effective date.

SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

Notified 2/21/79

Sen. Secretary
St. Dept C/RA
CRT Operator
Sen. Collitta

SB 16 } All MAYORS
SB137 } Dept. Transportation & P.F.
A.M.L.
SB16 Geraia Sharp, City Bol. Atty
Don Lurey
SB16 Sen. Hohman
SB16 Assc. Mtr Vehicles Div (CRT only)
137 Gov.'s Off.

TWK-Vern Counts Div
Div Mtr Vehicles/P.S Fleck.

Thurs., March. 1, 79 1:30 / Butler Room
SB 16 & SB 137.

Our Administrative Assistant Gene Walsh thought you might be interested in SB16.

T.H.
Sen. S. Office.

Called 2/22 10:15 AM

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Frank Ferguson
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, March 1, 1979

1:30 p.m.

SB 16 - An Act increasing State aid to local governments for road maintenance; and providing for an effective date.

SB 137 - An Act relating to the Municipal Code; and providing for an effective date.

Committee Log Book -

Tape Number 1

SENATE C/RA
Committee

Side Number 1

Dates 3/1/79 to

Bill Numbers Discussed

SB 16	SB 137								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30	000		Chairman Sturgulewski opened meeting
	42		?
	53		Mayor Bearup, Soldotna / Ak. Mayors Conference & Sel
	89		Chrmn. Sturgulewski
	93 120		Mayor Bearup Chairman Sturrgulewski
	132 169		Mayor Bearup Senator Kerttula
	175 198		Chairman Sturgulewski. Mayor Bearup
	212 235		Chairman Sturgulewski Sen. Kelly
	240 244		Mayor Bearup Sen. Kelly
	284 286		Chairman Sturgulewski Sen, Kelly
	292 333		Chairman Sturgulewski Palmer Mc Carter/ Dept. C/RA
	416 418		Chairman Sturgulewski Sen. Kelly/ Palmer
	462		Sen. Sturgulewski
	470 474		Sen. Kelly Palmer MCcarter
	491		TAPE END

3-2-79

Committee Log Book - 1979 ~~1980~~

Tape Number 1

SENATE C/RA Chairman Sturgulewski

Committee

Side Number 1

Others Present: Senators Mulcahy and Kelly

" Absent: Senators

Dates 3/2/79 to _____

Bill Numbers Discussed

SB 137	SB 145	SCR 12	SB? 129						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:33			Chairman Sturgulewski called the meeting to order.
		SB 137	
	48		Tom Bearup, Mayor, City Soldotna for Mayors Conf.
	153 161		Sen. Kelly Chairman Sturgulewski
	167 169		Sen. Kelly Chairman Sturgulewski
	214 279		Mr. Nordale Chairman Sturgulewski
	295 388		Palmer McCarter, Director, Dept. C/RA Chairman Sturgulewski
	391 398		Sen. Kelly Mr. Nordale
	418 429		Sen. Kelly Chairman Sturgulewski
	433 462		Palmer McCarter, Dept. C/RA Sen. Kelly
	464 471		Palmer McCarter, Dept. C/RA Jack Chenoweth, Legal Services Division
	474 484		Sen. Kelly Chairman Sturgulewski
	488 494		Palmer McCarter, Dept. C/RA Sen. Kelly
	508 528		Chairman Sturgulewski Sen. Kelly, Motion to adopt amendment/Hold Bill
	543	SCR 12	HOLD BILL UNTIL TUESDAY Chairman Sturgulewski
	562 590		Don Gilman/ Mayor/ Mayors Conference Speaker Roger Allington/Co-Chair. AK. Cstl Policy Cncl.
	578		Murray Walsh, Staff, and Stan Almer Mr. Walsh
	689 713		Ken Showalter, Sohio Petroleum Co. Jim Clark, Ak. Logger's Assoc.
	778 804 840 843		Mr. Allington Sen. Kelly Sen. Mulcahy Mtn to move SCR 12

- Let. of Intent

mlk

855 - SB 145

876 - Mayor Gilman

961 Sen. Kelly

1025 Mr. Allington

1160 Sen. Kelly

1172 Mr. Chenoweth/ Legal Services
Murray Walsh

1211 Mr. Allington

1244 Mr. Chenoweth

1249 Mr. Allington

1290 Murray Walsh/Sen. Sturgulewski

1365 Mr. Allington

1425 Sen. Kelly

1461 Sen. Sturgulewski

1468 Sen. Kelly

1478 Mr. Allington

1494 Mr. Walsh

1511 Sen. Kelly

1515 Mr. Allington

1602 Sen. Kelly

1610 Mr. Allington

1625 Sen. Kelly

1627 Mr. Allington

1641 Mr. Walsh

1646 Chairman Sturgulewski

1650 Mr. Chenoweth

1658 Mr. Walsh

1661 Ken Showalter, Sohio

1708 Sen. Kelly

1710 Mr. Showalter

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 145, SCR 12, SB 139 SB 137

3-2-79

Re ort:	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
SCR 12 SB 145 OK	Dan Gilman	BOX 850, SOLDOTNA	Kenai Peninsula Borough
~~SB 145~~ SCR 12	ROGER ALLINGTON	618 G&H JUNEAU	ACPC
SCR 12 SB 145 OK	MURRAY WALSH	POUCH AP JUNEAU	ACPC STAFF
SB 145 SCR 15	Ken Hostetler	Room 927, Baranof Hotel	SOHIO
SCR 12	Jim Clark	P.O. Box 1717 Juneau	Alaska Loggers' Assn
SB 137	Donald L. Gilman	P.O. Box 927 Soldotna	CITY OF SOLDOTNA OK.

3/6/79

Committee Log Book -

Tape Number 1

Side Number 1

SENATE C/RA / Chairman Sturgulewski
Committee

Dates 3/6/79 to ---

PRESENT: Senators Kelly, Stimson, Rodey, Mulcahy
No Absent

Bill Numbers Discussed

SB 132	SB 140	SB 201	SB 137	SB 131					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30			Chairman Sturgulewski called meeting to order.
	005	SB 132	Sen. Kerttula
	7		Sen. Tillion
	71		Sen. Kelly
	115		Sen. Mulcahy / against bill
	128		Chairman Sturgulewski
			Sen. Rodey/ Motion to Move
	147		Sen. Mulcahy object
	170		Sen. Tillion
	215		Sen. Mulcahy
	224		Perry Lovitt, City of Cordova Assoc.
	264		Rick Lauber, Representing Pacific Seafood Processors
	382		Sen. Mulcahy
	392		Chairman Sturgulewski
	394		Ginny Chitwood, Alaska Municipal League
	415		John Messenger, Dept. of Revenue
	423		Sen. Kelly
	451		Sen. Mulcahy
	461		Sen. Kelly
	462		Sen. Tillion
	484		Sen. Sturgulewski
			Sen. Kelly move with letter of intent- ramification particularly in pollack fish
	488		Sen. Mulcahy
	493		Sen. Kelly
	494		Sen. Mulcahy/ Letter of Intent
			Chairman Sturgulewski
			Sen. Mulcahy / Do not pass
±			Sen. Rodey / No rec.
	501		Sen. Rodey
	506		" "
	511		Sen. Tillion
	515		Sen. Rodey

OVER

SB 140

519	Chairman Sturgulewski
534	Sen. Ray
540	Sen. Sturgulewski
561	Sen. Rodey
570	Sen. Kelly
586	Sen. Sturgulewski
594	Sen. Ray
597	Sen. Rodey
601	Sen. Ray
605	Sen. Rodey
625	Sen. Sturgulewski
	Sen. Rodey moved to adopt CS
633	Sen. Kelly
636	Sen. Rodey
643	Sen. Kelly
656	Sen. Ray & Sen. Kelly
675	Chairman Sturgulewski
681	Sen. Rodey
689	Chrmn. Sturgulewski
691	Sen. Stimson
697	Sen. Rodey MOVED DO PASS WITH INDIVIDUAL RECOMMENDATIONS
706	Sen. Ray

SB 137

710	Chrm. Sturgulewski
727	Sen. Kelly
732	Sen. Rodey
734	Ginny Chitwood, Ak. Municipal League
737	Sen. Kelly & G. Chitwood
751	Sen. Stimson, G. Chitwood, Sen. Stimson
758	Sen. Kelly, G. Chitwood
764	Doug Griffin, Dept. C/RA - clean up bill
789	Sen. Stimson
790	Chrmn. Sturgulewski
794	Sen. Kelly
803	Chmn. Sturgulewski
805	Sen. Rodey
808	Sen. Rodey - Mtion to adopt CS SB 137 with am change
813	Sen. Rodey & Mulcahy - pas CS, as amended - do pass

SB 201

830	G. Chitwood
837	Sen. Rodey
840	Sen. Kelly - move to pass with individual recommendation

ADJOURNED 3:05

SB 131 [redacted] - Not Acted Upon

4/3./79

Committee Log Book - 1980

Tape Number 1

SENATE C/RA

Side Number 1

Committee

Dates 4/3/79 to

PRESENT: Chairman Sturgulewski, Senators Kelly Mulcahy, Rodey, Stimson

Bill Numbers Discussed

HB 185	SB 137								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p.m.	000	HB 185	Chairman Sturgulewski opened meeting.
	83		Sen. Mulcahy
	124		Sen. Stimson
	126		Sen. Kelly
	144		Ginny Chitwood, Ak. Municipal League
	150		Sen. Kelly
	188		Shirly Rediger, Lobbyist?
	201		Gene Walsny
	231		Sen. Stimson / Motion to adopt CS HB 185 Work Draft
	239		Sen. Kelly, amendments
	274		Shirley Rediger addresses Sen. Kelly
			" ", Chrman Sturgulewski
	333		Ginny Chitwood
	345		Jane Stewart, Arts Council Mbr.?
	347		Sen. Mulcahy
	358		Jan Craddick/ Sitka
	382		Sen. Kelly/ Craddick -- Conceptual Amendment
	397		Sen. Kelly
	401		Sen. Stimson
	414		Jan Craddick
	480		Sen. Rodey
	496		Sen. Kelly "Do pass" / move out of committee No Objections
	520	SB 137	
	537		Sen. Rodey - Municipal revenue sharing Sen. Kelly
	558		Meeting Adjourned

Twyla

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSB 137
Title Relating to the municipal code
Requested by Senate Finance Date 3/10/79

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

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	ø	ø	ø	ø	ø	ø

FUNDING (Thousands of Dollars)

GENERAL FUND	ø	ø	ø	ø	ø	ø
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	ø	ø	ø	ø	ø	ø
PART TIME						
TEMPORARY						

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

Authority for home rule or general law municipalities to issue revenue bonds will potentially saturate the market for these issues and bring all tax exempt revenue bonding under critical scrutiny by the United States Treasury. Such issues would further be in direct competition with similar state issues. It is further questionable that home rule or general law municipalities could market such debt at favorable rates on an individual basis and as such could potentially require state assistance at some time in the future.

IV. DATE 3/10/79 PREPARED BY Peter Bushre, Deputy Commissioner
AGENCY Department of Revenue
PHONE 465-2350

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

33-001 (Rev. 10/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Frank Ferguson
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, March 1, 1979

1:30 p.m.

SB 16 - An Act increasing State aid to local governments for road maintenance; and providing for an effective date.

SB 137 - An Act relating to the Municipal Code; and providing for an effective date.

2/21/79

Notified

Sen. Secretary
St. Dept C/KA
CRT Operator
Sen. Collitta

SB 16 } All MAYORS
SB137 } Dept. Transportation & P.F.
H.M.L.
SB 16 Gerald Sharp, City Dept. Atty
Don Leary
SB 16 Sen. Hohman
SB 16 Asst - Mtr Vehicles Div (certified)
137 Gov.'s Off.

TWX - Vern Roberts / Dir.
Div. Mtr Vehicles / P.S. - Hwk.

Thurs., March. 1, '79 1:30 / Butro Room
SB 16 & SB 137.

Our Administrative Assistant Gene Walsh thought you might be interested in SB 16.

F.H.
Sen. S. Office.

Called Operator 10:15 A.M.

SB

138

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT _____

ATTENTION C & RA Committee

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☑ For Your File	☐ Your Information

Remarks:

MAR 7 1979

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT C & RA

BY Lynn Wagner/dm DATE 3/7

02-002 (REV.10/73)

Copies to Senate

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill # 138
Title An Act Exempting from Assessment the value of Residential Property
Requested by Senators Bradley and Stimson Date March 5, 1979

II. FISCAL DETAIL
Agency Affected N/A
Program Category Affected N/A
Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		0	0	0		
200 TRAVEL		0	0	0		
300 CONTRACTUAL		0	0	0		
400 COMMODITIES		0	0	0		
500 EQUIPMENT		0	0	0		
600 LAND & STRUCTURES		0	0	0		
700 GRANTS, CLAIMS, ETC.		0	0	0		
		0	0	0		
TOTAL		0	0	0		

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME		N/A	N/A	N/A		
PART TIME						
TEMPORARY						

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

There is no fiscal impact to the state.

The bill impairs the equity of local assessment process by subsidizing current property owners and by penalizing new owners.

IV. DATE March 5, 1979 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

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

33 001 (Rev. 10/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

Committee Log Book - 1980

Tape Number XI

Side Number 182

Senate CRA
Committee

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, McCabe Dates 2/26/80 to —

Absent: Sen. Rodey

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 389		SB 456		SB 431	SB 138	SB 154

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40 P.	005		Mtg. Opening - Summary
	075	SB 299	Sen. Kerttula - "
	252		Sen. Kelly - Bill Intent
	275		Sen. Kerttula
	315	SB 427	Sen. Ferguson - Summary
	428	SB 389	Mayor, Don Gillman (Soldotna)
		SB 427 SB 456 & SB 465	
	522		Sen. Sturgulewski - "
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " (02.08 - Should be 29.53.025
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palmquist Incorp. Language SS HCR 45
	791	SB 456	" "
	793	SB 465	" "
	803	SB 465	Sen. Stimson
	840	SB 299	"

Side (1)

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stinson
082	SB 389	Pat Porter - Soldotna (SS SB 45 - line 16)
13.?		Ruby Coil
241	SB 465	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	ROSE Palmquist
454	~~SB~~ 431	Larry Kadell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (for Sen. Bradley)
539	SB 154	
	SB 389	
~~680~~ 617	~~SB~~ 427	Vivian Loveless
659	~~SB~~ 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Sen. Rodey arrived 3 P.M.

3:07 Mtg. Adjourned

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs		
News releases (local)		1
News releases (outlying media)	ltr. Sandy Morris KTKN KFRB	
Direct mail		
Phone contacts		
Other:		

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch Y Juneau 99811

Phone: 465-4980

SB

140

COMMITTEE REPORT

SENATE

2/13/79

FURTHER: FINANCE

Date: 3-6-79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFF. has had SB 140

amending the authority of Alaska Housing Finance Corporation to adopt administrative regulations

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)

[X] replace with CS for SB 140 [ ] same title [ ] new title

and recommends do pass

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tom Kelly

Jean Sharman

Phil Rovey

Bob Ruhrer

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Chairman

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 6, 1979

1:30 p.m.

SB 131 - An Act providing for the issuance of general obligation bonds in the amount of $8,000,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date.

SB 132 - An Act relating to the refund of raw fish tax receipts to local government; and providing for an effective date.

SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

3/6/79

Committee Log Book - [redacted]

Tape Number 1

SENATE C/RA / Chairman Sturgulewski
Committee

Side Number 1

Dates 3/6/79 --- to ---

PRESENT: Senators Kelly, Stimson, Rodey, Mulcahy
No Absent

Bill Numbers Discussed

SB 132	SB 140	SB 201	SB 137	SB 131					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30			Chairman Sturgulewski called meeting to order.
	005	SB 132	Sen. Kerttula
	7		Sen. Tillion
	71		Sen. Kelly
	115		Sen. Mulcahy / against bill
	128		Chairman Sturgulewski
			Sen. Rodey/ Motion to Move
	147		Sen. Mulcahy object
	170		Sen. Tillion
	215		Sen. Mulcahy
	224		Perry Lovitt, City of Cordova Assoc.
	264		Rick Lauber, Representing Pacific Seafood Processors
	382		Sen. Mulcahy
	392		Chairman Sturgulewski
	394		Ginny Chitwood, Alaska Municipal League
	415		John Messenger, Dept. of Revenue
	423		Sen. Kelly
	451		Sen. Mulcahy
	461		Sen. Kelly
	462		Sen. Tillion
	484		Sen. Sturgulewski
			Sen. Kelly move with letter of intent- ramification particularly in pollack fish
	488		Sen. Mulcahy
	493		Sen. Kelly
	494		Sen. Mulcahy/ Letter of Intent
			Chairman Sturgulewski
			Sen. Mulcahy / Do not pass
±			Sen. Rodey / No rec.
	501		Sen. Rodey
	506		" "
	511		Sen. Tillion
	515		Sen. Rodey

OVER

SB 140

519 Chairman Sturgulewski
534 Sen. Ray
540 Sen. Sturgulewski
561 Sen. Rodey
570 Sen. Kelly
586 Sen. Sturgulewski
594 Sen. Ray
597 Sen. Rodey
601 Sen. Ray
605 Sen. Rodey
625 Sen. Sturgulewski
Sen. Rodey moved to adopt CS
633 Sen. Kelly
636 Sen. Rodey
643 Sen. Kelly
656 Sen. Ray & Sen. Kelly
675 Chairman Sturgulewski
681 Sen. Rodey
689 Chrmn. Sturgulewski
691 Sen. Stimson
697 Sen. Rodey MOVED DO PASS WITH INDIVIDUAL RECOMMENDATIONS
706 Sen. Ray

SB 137

710 Chrm. Sturgulewski
727 Sen. Kelly
732 Sen. Rodey
734 Ginny Chitwood, Ak. Municipal League
737 Sen. Kelly & G. Chitwood
751 Sen. Stimson, G. Chitwood, Sen. Stimson
758 Sen. Kelly, G. Chitwood
764 Doug Griffin, Dept. C/RA - clean up bill
789 Sen. Stimson
790 Chrmn. Sturgulewski
794 Sen. Kelly
803 Chmn. Sturgulewski
805 Sen. Rodey
808 Sen. Rodey - Mtion to adopt CS SB 137 with am change
813 Sen. Rodey & Mulcahy - pas CS, as amended - do pass

SB 201

830 G. Chitwood
837 Sen. Rodey
840 Sen. Kelly - move to [illegible] with individual recommendation

ADJOURNED 3:05

SB 131 - Not Acted Upon

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

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SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

SB

145

COMMITTEE REPORT

SENATE

2/13/79 FURTHER: None

Date: _____

Mr. President:

The Committee on Community & Regional. Affa has had SB 145 relating to implementation of the Alaska Coastal Management Program

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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bill Parkinson

Calvin Sturgulewski

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Jim Kelly Do Not Pass

Calvin Sturgulewski
CHAIRMAN

S 60 (Rev. 12/78)

3-2-79

Committee Log Book - 1979 ~~1980~~

Tape Number 1

SENATE C/RA Chairman Sturgulewski

Committee

Side Number 1

Others Present: Senators Mulcahy and Kelly

" Absent: Senators

Dates 3/2/79 to _____

Bill Numbers Discussed

SB 137	SB 145	SCR 12	SB? 129						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:33			Chairman Sturgulewski called the meeting to order.
		SB 137	
	48		Tom Bearup, Mayor, City Soldotna for Mayors Conf.
	153 161		Sen. Kelly Chairman Sturgulewski
	167 169		Sen. Kelly Chairman Sturgulewski
	214 279		Mr. Nordale Chairman Sturgulewski
	295 388		Palmer McCarter, Director, Dept. C/RA Chairman Sturgulewski
	391 398		Sen. Kelly Mr. Nordale
	418 429		Sen. Kelly Chairman Sturgulewski
	433 462		Palmer McCarter, Dept. C/RA Sen. Kelly
	464 471		Palmer McCarter, Dept. C/RA Jack Chenoweth, Legal Services Division
	474 484		Sen. Kelly Chairman Sturgulewski
	488 494		Palmer McCarter, Dept. C/RA Sen. Kelly
	508 528		Chairman Sturgulewski Sen. Kelly. Motion to adopt amendment/Hold Bill
	543	SCR 12	HOLD BILL UNTIL TUESDAY Chairman Sturgulewski
	562 590		Don Gilman/ Mayor/ Mayors Conference Speaker Roger Allington/Co-Chair, AK. Cstl Policy Cncl.
	578		Murray Walsh, Staff, and Fran Almer Mr. Walsh
	639 713		Ken Showalter, Sohio Petroleum Co. Jim Clark, Ak. Logger's Assoc.
	778		Mr. Allington
- Let. of Intent	804		Sen. Kelly
	840		Sen. Mulcahy Mtn to move SCR 12
	843		

855 - SB 145

876 - Mayor Gilman

961 Sen. Kelly

1025 Mr. Allington

1160 Sen. Kelly

1172 Mr. Chenoweth/ Legal Services
Murray Walsh

1211 Mr. Allington

1244 Mr. Chenoweth

1249 Mr. Allington

1290 Murray Walsh/Sen. Sturgulewski

1365 Mr. Allington

1425 Sen. Kelly

1461 Sen. Sturgulewski

1468 Sen. Kelly

1478 Mr. Allington

1494 Mr. Walsh

1511 Sen. Kelly

1515 Mr. Allington

1602 Sen. Kelly

1610 Mr. Allington

1625 Sen. Kelly

1627 Mr. Allington

1641 Mr. Walsh

1646 Chairman Sturgulewski

1650 Mr. Chenoweth

1658 Mr. Walsh

1661 Ken Showalter, Sohio

1708 Sen. Kelly

1710 Mr. Showalter

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 145, SCR 12, SB 129 SB 137

3-2-79

	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
Re SCR 12 SB 145	Dan Gilman	BOX 850, SOLDOTNA	Kenai Peninsula Borough
SCR 12 SB 145	ROGER ALLINGTON	618 GH JUNEAU	ACPC
SCR 12 SB 145	MURRAY WALSH	POUCH AP JUNEAU	ACPC STAFF
SB 145 SCR 15	Ken [illegible]	Room 972, Baranof Hotel	SOHIO
SCR 12	Jim Clark	P.O. Box 1271 Juneau	Alaska Loggers' Assn
SB 137	Thomas L. Kenny	PO. Box 927 Soldotna	CITY OF SOLDOTNA

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BELTZ ROOM, 209 Capitol Building

Friday, March 2, 1979

1:30 p.m.

SB 145 - An Act relating to implementation of the Alaska Coastal Management Program.

SCR 12 - Approving regulations adopted by the Alaska Coastal Policy Council.

Notified 12/ /79

Sen. Secretary

Sen. Colletta

CRT Operator

+ Dept C/RH

HML

Don Berry

Murray Walsh (Cstl Zone Mgmt)

Hill Mayors

Gov's Office

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

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Chairman

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SCR 12 - Approving regulations adopted by the Alaska Coastal Policy Council.

2/21/79

Notified

Sen. Secretary
Sen. Collette
CRT Operator

+ Dept C/RH
NHL
Don Berry
Murray Walsh (Astl Zone Mgmt)
Hill Mayors
Gov's Office

SB

154

STATE OF ALASKA

Inter-Depa[illegible]t Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT

ATTENTION Senate C+RA Committee

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☑ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT C+RA

BY Lynn Wilson DATE 3/7

02-002 (REV.10/73)

Revised 3-6-79 1149a

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 154
Title Provides For Exemption From Property Tax For Disabled Veterans
Requested by Senator Bradley Date

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners & Renters Equivalency - State Assessor

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		1.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		206.2				
	TOTAL		207.2				

FUNDING (Thousands of Dollars)

GENERAL FUND		207.2				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

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

According to the Federal Veterans Administration, there are 468 veterans with over 50% disability. Assuming that 25% of those are 117 renters and another 20 are 65 and already exempt, the following computations are derived:

331 (Homeowners) times $558 (average senior citizen saving) = 184,698

117 (Renters) times $184 (average senior citizen renter reimbursement) = 21,528

448 TOTAL $206,226

IV. DATE 3/6/79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (Last Legislator Name)

33 001 (Rev. 10/78) Revised 3-6-79

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill 154
Title Provides For Exemption From Pronerty Tax For Disabled Veterans
Requested By Senator Bradley Date

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Grants
Budget Request Unit(s) Affected Senior Citizen Homeowners & Renters Enuivalency - State Assessor

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		206.2				
TOTAL		207.2				

FUNDING (Thousands of Dollars)

GENERAL FUND		207.2				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

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

According to the Federal Veterans Administration, there are 468 veterans with over 50% disability. Assuming that 25% of those are 117 renters and another 20 are 65 and already exempt, the following computations are derived:

331 (Homeowners) times $558 (average senior citizen saving) = 184,693

117 (Renters) times $184 (average senior citizen renter reimbursement) = 21,528

448 TOTAL $206,226

IV. DATE 3/6/79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community & Regional Affairs
PHONE 465-4730

cc: Original Legislative Finance
Budget and Management
Prime Sponsor (Joint Committee Senate)

33.001 (Rev. 10/78) Revised 3-6-79

ELEVENTH LEGISTATURE

FISCAL NOTE

REQUEST
Bill/Resolution No. Senate Bill 154
Title Provides for exemption from property tax for disabled Veterans
Requested by: Senator Bradley Date

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Grants
Budget Request Units(s) Affected Senior Citizens Homeowner and Renter Equivalancy - STATE ASSESSOR

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		93.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		93.9				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

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

The only information available from the Federal Veterans Administration was that there are approximately 200 veterans disabled 40% or more within the State. We have estimated based on total 200 being over 50% and that 3/4 of those are homeowners and 1/4 are renters.

150 homeowners @ $553 (average senior citizen homeowner savings) = $83,700

50 renters @ $184 (average senior citizen renters reimbursement) = 9,200

Total $92,900

Additional cost is for forms printing, processing and refunds processing.

IV. DATE 2-28-79 PREPARED BY Terry L. Earley, State Assessor
AGENCY Department of Community and Regional Affairs
PHONE 465-4730

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

33-001 (Rev. 10/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

TELECONference

Committee Log Book - 1980

Tape Number XI

Senate CJRA
Committee

Side Number 182

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, McCabe Dates 2/26/80 to —

Absent: Sen. Rodey

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 384		SB 456		SB 431	SB 138	SB 154

Side (1)

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40 P.	005		Mtg. Opening - Summary
	075	SB 299	Sen. Kerttula - "
	252		Sen. Kelly - Bill Intent
	275		Sen. Kerttula
	315	SB 427	Sen. Ferguson - Summary
	428	SB 389	Mayor Don Gillman (Soldotna)
		SB 427 SB 456 & SB 465	
	522		Sen. Sturgulewski - "
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " (02.08 - Should be 29.53.025)
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palmquist Incorp. language SS HCR 41
	791	SB 456	" "
	793	SB 465	" "
	803	SB 465	Sen. Stimson
	840	SB 299	"

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stinson
082	SB 389	Pat Porter - Soldotna (SS SB 45 - Line 16)
138		Ruby Coil
241	SB 465	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	ROSE Palmquist
454	~~SB~~ 431	Larry Kadell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (for Sen. Bradley)
539	SB 154	
	SB 389	
~~680~~ 617	SB 427	Vivian Loveless
659	~~SB~~ 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Sen. Rodey arrived 3 P.M.

3:07 Mtg. Adjourned

Alaska State Legislature

TELECONFERENCE HEARINGS



SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	2/22	3
News releases (local)	Pub Comm 2/22	1
News releases (outlying media)	Ltr Daily News KTKN KRBD	
Direct mail		
Phone contacts		
Other:		

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch Y, Juneau 99811

Phone: 465-4980

SB

201

COMMITTEE REPORT

SENATE

2/13/79

FURTHER: none

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 201 relating to salaries of elected municipal officials

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

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tom Kelly
Tom Stimpson
Pat Roby
Bob Marks

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Chairman

CHAIRMAN

S 60 (Rev. 12/78)

3/6/79

Committee Log Book - [redacted]

Tape Number 1

SENATE C/RA / Chairman Sturgulewski
Committee

Side Number 1

Dates 3/6/79 to ---

PRESENT: Senators Kelly, Stimson, Rodey, Mulcahy
No Absent

Bill Numbers Discussed

SB 132	SB 140	SB 201	SB 137	SB 131					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30			Chairman Sturgulewski called meeting to order.
	005	SB 132	Sen. Kerttula
	7		Sen. Tillion
	71		Sen. Kelly
	115		Sen. Mulcahy / against bill
	128		Chairman Sturgulewski
			Sen. Rodey/ Motion to Move
	147		Sen. Mulcahy object
	170		Sen. Tillion
	215		Sen. Mulcahy
	224		Perry Lovitt, City of Cordova Assoc.
	264		Rick Lauber, Representing Pacific Seafood Processors
	382		Sen. Mulcahy
	392		Chairman Sturgulewski
	394		Ginny Chitwood, Alaska Municipal League
	415		John Messenger, Dept. of Revenue
	423		Sen. Kelly
	451		Sen. Mulcahy
	461		Sen. Kelly
	462		Sen. Tillion
	484		Sen. Sturgulewski
			Sen. Kelly move with letter of intent- ramification particularly in pollack fish
	488		Sen. Mulcahy
	493		Sen. Kelly
	494		Sen. Mulcahy/ Letter of Intent
			Chairman Sturgulewski
			Sen. Mulcahy / Do not pass
±			Sen. Rodey / No rec.
	501		Sen. Rodey
	506		" "
	511		Sen. Tillion
	515		Sen. Rodey

OVER

SB 140

519 Chairman Sturgulewski
534 Sen. Ray
540 Sen. Sturgulewski
561 Sen. Rodey
570 Sen. Kelly
586 Sen. Sturgulewski
594 Sen. Ray
597 Sen. Rodey
601 Sen. Ray
605 Sen. Rodey
625 Sen. Sturgulewski
Sen. Rodey moved to adopt CS
633 Sen. Kelly
636 Sen. Rodey
643 Sen. Kelly
656 Sen. Ray & Sen. Kelly
675 Chairman Sturgulewski
681 Sen. Rodey
689 Chrmn. Sturgulewski
691 Sen. Stimson
697 Sen. Rodey MOVED DO PASS WITH INDIVIDUAL RECOMMENDATIONS
706 Sen. Ray

SB 137

710 Chrm. Sturgulewski
727 Sen. Kelly
732 Sen. Rodey
734 Ginny Chitwood, Ak. Municipal League
737 Sen. Kelly & G. Chitwood
751 Sen. Stimson, G. Chitwood, Sen. Stimson
758 Sen. Kelly, G. Chitwood
764 Doug Griffin, Dept. C/RA - clean up bill
789 Sen. Stimson
790 Chrmn. Sturgulewski
794 Sen. Kelly
803 Chmn. Sturgulewski
805 Sen. Rodey
808 Sen. Rodey - Mtion to adopt CS SB 137 with am change
813 Sen. Rodey & Mulcahy - pas CS, as amended - do pass

SB 201

830 G. Chitwood
837 Sen. Rodey
840 Sen. Kelly - move to pass with individual recommendation

ADJOURNED 3:05

SB 131 [redacted] Not Acted upon

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 6, 1979

1:30 p.m.

SB 131 - An Act providing for the issuance of general obligation bonds in the amount of $8,000,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date.

SB 132 - An Act relating to the refund of raw fish tax receipts to local government; and providing for an effective date.

SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

Regional Housing Authorities

STATE OF ALASKA
LABEL SYSTEM
ATTRIBUTE REPORT

02L-0030
SER-ID 21LC1 ATTRIBUTE RHA

CD NO	LINE 1 / LINE 4	LINE 2 / CITY	ST	ZIP	LINE 3 / ATTRIBUTES 1 2 3 4 5 6 7 8 9 10
01	DIRECTOR	ARCTIC SLOPE REGIONAL			HOUSING AUTHORITY
02	BOX 566	BARROW	AK	99723	NEW RHA
01	DIRECTOR	BRISTOL BAY REGIONAL			HOUSING AUTHORITY
02	BOX 50	DILLINGHAM	AK	99576	NEW RHA
01	DIRECTOR	COOK INLET NATIVE			HOUSING AUTHORITY
02	670 WEST FIREWEED LANE	ANCHORAGE	AK	99503	NEW RHA
01	DIRECTOR	COPPER RIVER BASIN			REGIONAL HOUSING AUTHORITY
02	DRAWER C	COPPER CENTER	AK	99573	NEW RHA
01	DIRECTOR	DIRECTOR			METLAKATLA HOUSING AUTHORITY
02	BOX 275	METLAKATLA	AK	99926	NEW RHA
01	DIRECTOR	NANA REGIONAL			HOUSING AUTHORITY
02	BOX 331	KOTZEBUE	AK	99752	NEW RHA
01	DIRECTOR	NORTH SLOPE BOROUGH			HOUSING AUTHORITY
02	BOX 546	BARROW	AK	99723	NEW RHA
01	EXECUTIVE DIREC	EXECUTIVE DIRECTOR			ALASKA STATE HOUSING AUTHORITY X
02	BOX 80	ANCHORAGE	AK	99510	NEW RHA
01	EXECUTIVE DIREC	EXECUTIVE DIRECTOR			ALEUTIAN HOUSING AUTHORITY
02	430 C STREET	ANCHORAGE	AK	99501	NEW RHA
01	EXECUTIVE DIRECTOR	AVCP REGIONAL HOUSING			AUTHORITY
02	KOSKO OFFICE BUILDING RM 5	BETHEL	AK	99559	NEW RHA
01	EXECUTIVE DIRECTOR	BERING STRAITS REGIONAL			HOUSING AUTHORITY
02	BOX 995	NOME	AK	99762	NEW RHA
01	EXECUTIVE DIRECTOR	INTERIOR REGIONAL			HOUSING AUTHORITY
02	801 PIONEER ROAD	FAIRBANKS	AK	99701	NEW RHA
01	EXECUTIVE DIRECTOR	KANA REGIONAL			HOUSING AUTHORITY
02	BOX 197	KODIAK	AK	99615	NEW RHA
01	EXECUTIVE DIRECTOR	NORTH PACIFIC RIM			HOUSING AUTHORITY
02	402 WEST 9TH AVE SUITE 200	ANCHORAGE	AK	99501	NEW RHA
01	EXECUTIVE DIRECTOR	TLINGIT-HAIDA REGIONAL			HOUSING AUTHORITY
02	211 WEST 12TH STREET	JUNEAU	AK	99801	~~OLD~~ RHA NEW

SENATE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA Tuesday April 10, 1979

Eighty-sixth Day

Pursuant to adjournment, the Senate was called to order by President Tillion at 10:02 a.m.

The roll call showed eighteen members present. Senators Ray and Sackett were absent.

The prayer was offered by the Chaplain, Pastor John Lenker of the Church of the Nazarene. Senator Kerttula moved and asked unanimous consent that the prayer be spread in the journal. Without objection, it was so ordered and the prayer appears as follows:

"Almighty God of all:

We recognize Your touch in the tiny spring blossoms, in the beautiful snowcapped mountains that surround this valley, in the myriad of stars that stud the vast expanse of the universe. We come to You with a sense of awe, but also with the knowledge that You are not only the great Creator, but also the Father of mankind, our Heavenly Father, aware and concerned with the affairs of men. May on this day, the wisdom and purpose of God direct the minds in making decisions which this Senate shall be called upon to make.

Help us in the spirit of our Lord's prayer to say, 'Our Father, which art in heaven, Hallowed be Thy name. Thy Kingdom come, Thy will be done on earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us. Lead us not into temptation but deliver us from evil, for Thine is the kingdom, and the power, and the glory, forever'.

Amen."

Senator Colletta moved and asked unanimous consent that the journal for the eighty-fifth legislative day be approved as certified. Without objection, it was so ordered.

MESSAGES FROM THE GOVERNOR

April 4, 1979

The Nonorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Please add to your list of Alaskans to be confirmed for appointments to boards and commissions the following:

STATE COMMISSION FOR HUMAN RIGHTS

*Diana Snowden, SRA Box 1735-M, Anchorage, term expiring 1/31/84.

BOARD OF NURSING

*Norma J. Frank, R.N., Box 4229, Mt. Edgecumbe, term expiring 3/31/84.

Sincerely,

Jay S. Hammond
Governor

*Reappointed

President Tillion referred the above appointments for confirmation to the Health, Education and Social Services Committee.

MESSAGES FROM THE HOUSE

Message of April 9 was read, stating the House has concurred in the Senate amendment to HOUSE BILL NO. 45 (powers of the Alaska Legislative Council and the Legislative Budget and Audit Committee), thus adopting: SCS HB 45

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 45 (Alaska Legislative Council and the Legislative Budget and Audit Committee)

Message of April 10 was read, stating the House has passed the following and transmitting for consideration:

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 20 amended, by the Special Gas Pipeline Financing Committee, CS HCR 20 am

Relating to the financial and Alaska impact plan submitted by the Alaska Gas Pipeline Financing Authority,

was read the first time and referred to the Finance Committee.

FIRST READING AND REFERENCE OF HOUSE BILLS

HOUSE BILL NO. 438 amended, by the Special Gas Pipeline Financing Committee, entitled: HB 438 am

"An Act relating to submission of a financial and Alaska impact plan by the Alaska Gas Pipeline Financing Authority; and providing for an effective date."

was read the first time and referred to the Finance Committee.

STANDING COMMITTEE REPORTS

SB 65 The Health, Education and Social Services Committee considered SENATE BILL NO. 65 (consolidating and strengthening the state's drug laws) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 65. The committee further attaches a letter of recommendation to the Judiciary Committee. Senator Hackney, Chairman and Senators Ferguson, Sturgulewski, Fahrenkamp and Colletta signed "do pass if amended."

SENATE BILL NO. 65 was referred to the Judiciary Committee.

Letter of recommendations to the Judiciary Committee accompanying the above bill follows:

April 9, 1979

Robert Ziegler, Chairman
Senate Judiciary Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Chairman Ziegler,

The Senate Health, Education and Social Services Committee, in its review of SB 65, has red flagged the following sections of SB 65 for close examination by the Senate Judiciary Committee: sections 14 - 18.

Section 14 would require that an individual claiming exemption from the provisions of this bill would bear the burden of proof in proving his exemption. This Committee requests that Judiciary address the constitutionality of placing the burden of proof on the claimant as opposed to placing the burden of proof on the state to prove that the individual is not exempt.

Section 15 divides controlled substances into five categories similar to categories established under federal law. However, the classification format that the state intends to adopt through this bill, i.e. Class A, Class B, etc., varies from the federal government's in that the federal government's format is based on a numerical system of classification, i.e. Schedule I, Schedule II, etc. In order to avoid problems that might surface as a result of using dissimilar classification formats, this Committee requests that Judiciary consider the merits of adopting a system of classification that will coincide with the classification format used by the federal government.

SB 65

Sections 16, 17, and 18. This Committee requests that Judiciary take a look at the conformity between the penalty sections of this bill and the penalities prescribed for similar offenses in the Alaska Criminal Code.

Sincerely,

Glenn Hackney
Chairman

SB 53

The Rules Committee considered SENATE BILL NO. 53 (special appropriation to Office of the Governor for state's efforts concerning federal withdrawal of Alaska land) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) (page 761) and further recommends it be placed on the April 10 calendar. Senator Colletta, Chairman and Senators Hohman, Tillion and Sumner signed "do pass and place on April 10 calendar". Senator Ziegler signed "place on April 10 calendar".

SENATE BILL NO. 53 appears on today's calendar.

HB 44

The Rules Committee considered HOUSE BILL NO. 44 (supplemental appropriations to the Legislative Affairs Agency) and recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 and further recommends it be placed on the April 10 calendar. Senator Colletta, Chairman, signed "do pass and place on April 10 calendar". Senators Hohman, Sumner and Ziegler signed "place on the April 10 calendar".

HOUSE BILL NO. 44 appears on today's calendar.

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SR 8

SENATE RESOLUTION NO. 8 by Senators Colletta and Stimson,

Relating to geothermal resources,

was read the first time and referred to the Resources Committee.

SJR 32 SENATE JOINT RESOLUTION NO. 32 by Senators Kelly and Kerttula,

Expressing concern over the reported persecution of members of the Baha'i religious community in Iran,

was read the first time and referred to the State Affairs Committee.

Senator Kerttula moved and asked unanimous consent that the Senate recess to a call of the Chair for the purpose of a Democratic caucus. Without objection, the Senate recessed at 10:14 a.m.

AFTER RECESS

The Senate reconvened at 11:00 a.m.

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 53 SENATE BILL NO. 53 (special appropriation to the Office of the Governor for the state's efforts concerning federal withdrawal of Alaska land) was read the second time.

CS SB 53 (Fin) Senator Sackett moved and asked unanimous consent for the adoption of the Finance Committee Substitute offered on page 761. Without objection, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) was adopted.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) (appropriating for the operating and capital expenses of the state government) was read the second time.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) was read the third time.

CS SB 53 (Fin)

The question being: "Shall COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) (appropriating for the operating and capital expenses of the state government) pass the Senate?" The roll was taken with the following result:

Yeas: 30 Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Sackett, Stimson, Sturgulewski, Sumner, Tillion, Ziegler

Nays: 0

and so, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

Senator Colletta gave notice of reconsideration on COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) and moved and asked unanimous consent that it be taken up at this time. Without objection, it was so ordered.

SENATE BILLS IN THIRD READING

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) was before the Senate at this time on reconsideration.

The question to be reconsidered is: "Shall COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) (appropriating for the operating and capital expenses of the state government) pass the Senate?" The roll was taken with the following result:

CS SB 53 (Fin) Yeas: 20 Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Sackett, Stimson, Sturgulewski, Summer, Tillion, Ziegler

Nays: 0

and so, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Fin) passed the Senate on reconsideration.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Finance) was referred to the Secretary for engrossment.

SB 201 SENATE BILL NO. 201 (relating to the salaries of elected municipal officials) was read the second time.

CS SB 201 Senator Sturgulewski moved and asked unanimous consent for the adoption of the Rules Committee Substitute offered on page 763. Without objection, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 201 was adopted.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 201 was read the second time.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 201 be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 201 was read the third time.

The question being: "Shall COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 201 (relating to the salaries of elected municipal officials) pass the Senate?" The roll was taken with the following result: CS SB 201

Yeas: 20 Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Sackett, Stimson, Sturgulewski, Sumner, Tillion, Ziegler

Nays: 0

and so, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 201 passed the Senate and was referred to the Secretary for engrossment.

SECOND READING OF HOUSE BILLS

HOUSE BILL NO. 44 (supplemental appropriations to the Legislative Affairs Agency) was read the second time. HB 44

Senator Hohman moved and asked unanimous consent for the adoption of the Rules Senate Committee Substitute offered today. Without objection, SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 was adopted. SCS HB 44

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 was read the second time.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 was read the third time.

SCS HB 44 The question being: "Shall SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 (supplemental appropriations to the Legislative Affairs Agency) pass the Senate?" The roll was taken with the following result:

Yeas:	20	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Sackett, Stimson, Sturgulewski, Sumner, Tillion, Ziegler
Nays:	0	

and so, SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 was referred to the Secretary for engrossment.

CS HB 211 am COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 211 amended (public elementary and secondary education) was read the second time.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 211 amended be advanced to third reading and placed on final passage. Without objection, it was so ordered.

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 211 amended was read the third time.

The question being: "Shall COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 211 amended (public elementary and secondary education) pass the Senate?" The roll was taken with the following result:

Yeas	19	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Kelly, Kerttula, Meland, Mulcahy, Ray, Rodey, Sackett, Stimson, Sturgulewski, Summer, Tillion, Ziegler	CS HB 211 am
Nays:	0		
Absent:	1	Coleman	

and so, COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 211 amended passed the Senate.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on Section 8. Without objection, it was so ordered.

Senator Colletta moved and asked unanimous consent that the roll call on the passage of the above bill be considered the roll call on Section 9. Without objection, it was so ordered.

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 211 amended was signed by the President and Secretary and returned to the House.

ENGROSSMENT AND ENROLLMENT

The following have been engrossed, signed by the President and Secretary and transmitted to the House for consideration: CS SB 53 (Fin)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 53 (Fin)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 201 CSSB 201

SENATE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 44 SCS HB 44

SENATE BILL NO. 164 amended has been enrolled, signed by the President and Secretary, Speaker and Chief Clerk and the engrossed and enrolled copies transmitted to the Office of the Governor at 3:46 p.m., April 9, 1979. SB 164 am

ANNOUNCEMENTS

Labor & Management SJR 28		Upon Adj., 4/10
Resources Land Disposal	Butrovich Room 207, Capitol	Upon Adj., 4/10 until 4:00 p.m.
Commerce HJR 27, SCR 6 CSHB 294 am, SB 157	Beltz Room 209, Capitol	3:00 p.m., 4/10
Regulation Review Committee	Butrovich Room 207, Capitol	5:00 p.m., 4/10
Electoral Review	Court Room A Court Bldg.	6:30 p.m., 4/10
Finance bill session	423, Capitol	9:00 a.m., 4/11
Budget & Audit	423, Capitol	Noon, 4/11
Resources HB 36	Butrovich Room 207, Capitol	1:30 p.m., 4/11
State Affairs CSHB 12 (Fin) CSHB 26, CSHB 28 SSHB 30	Beltz Room 209, Capitol	3:30 p.m., 4/11
Judiciary SB 212	Beltz Room 209, Capitol	1:30 p.m., 4/12

ADJOURNMENT

Senator Colletta moved and asked unanimous consent that the Senate adjourn until 10:00 a.m., April 11. Without objection, the Senate adjourned at 11:30 a.m.

Peggy Mulligan
Senate Secretary

April 1979

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Jalmar Kerttula
Senator Bill Ray
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 6, 1979

1:30 p.m.

SB 131 - An Act providing for the issuance of general obligation bonds in the amount of $8,000,000 for the purpose of paying the cost of sewerage systems construction; and providing for an effective date.

SB 132 - An Act relating to the refund of raw fish tax receipts to local government; and providing for an effective date.

SB 140 - An Act amending the authority of the Alaska Housing Finance Corporation to adopt administrative regulations; and providing for an effective date.

SB 201 - An Act relating to the salaries of elected municipal officials.

SB

204

COMMITTEE REPORT

SENATE

2/13/79

FURTHER: none

Date: 3/12/79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 204
relating to public utility rates

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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Blasdel

PATRICK KOOEY

Tony Smith

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Dorothy Meyer

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator George Hohman
Senator Frank Ferguson
Senator Mike Colletta
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - ASSEMBLY BUILDING, ROOM 207

Thursday, March 8, 1979

1:30 p.m.

SB 204 - An Act relating to public utility rates.

Held until 3-9-79

SB 2 - Continued from February 22: An Act relating to the comprehensive recycling and reduction of litter and imposing a litter reduction assessment; and providing for an effective date.

TAPE II
3/12/79

Committee Log Book - 1980

Tape Number II

Side Number 1

SENATE C/RA

Committee

Dates 3/12/79 to

Bill Numbers Discussed

	SB 2	SCR 9	SB 204						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
	000	SB 2	Chairman Sturgulewski called meeting back to order
	010		CSSB 2 up for consideration
	012		Sen. Stimson motion to pass out with ind. rec.
			Sen. Rodey - no rec and Sen. Kelly - do not pass
			until funding appropriation is settled.
	018		Chairman Sturgulewski - another bill needs to be
			for funding
	022		Sen. Mulcahy moved to introduce funding bill
	024		Sen. Kelly objected / no bill before Committee
	027		Chairman Sturgulewski
	028		Sen. Kelly
	040		Sen. Rodey/ Motion to introd. bill with notation
			to this corrects single subject constitutional
			problem which existed in the original bill.
	053		Chairman Sturgulewski - write letter to Sen. Pres.
			suggesting new bill be drawn...
	70		Sen. Kelly objects in the final vote on the letter.
			idea - he wants to see source of funding first,
			having objected to the original version.
	080	SCR 9	Sen. Kelly
	85		Sen. Sturgulewski
	90		Sen. Rodey
	93		Sen. Sturgulewski
		SB 204	
	100		Chairman Sturgulewski
	109		Sen. Hohman
	134		Sen. Rodey / Sen. Hohman
	140		Commissioner Carolyn Guess/ APUC
	156		Chairman Sturgulewski
	165		Ms. Guess
	177		Chairman Sturgulewski
	195		Sen. Hohman questions Ms. Guess
	220		Sen. Hohman
	227		Sen. Kelly/ Sen. Hohman

233 Sen. Hohman
244 Sen. Sturgulewski
249 Sen. Hohman
263 Ms. Guess/ Chmn Sturgulewski
313 Sen. Hohman
321 Sen. Sturgulewski
323 Sen. Stimson questions Sen. Hohman
339 Mr. Hutcheon
353 Sen. Stimson
357 Ms. Guess
368 Sen. Stimson
375 Ms. Guess
390 Sen. Hohman
405 Sen. Mulcahy moved to adopt "CS" for SB 204
417 All agreed - no objections
426 Sen. Rodey moved to pass out "CS" for SB 204

SCR 9

432 Sen. Rodey
434 Sen. Kelly
435 Chairman Sturgulewski
436 Sen. Stimson
445 Sen. Rodey
455 Sen. Mulcahy
460 Sen. Rodey
468 Chairman Sturgulewski - motion to pass out?
Egeryone - "Do pass"
473 Sen. Rodey
474 Mtg. Adjourned.

3-8-79

Committee Log Book -

Tape Number 1

Side Number 182

Senate C/RA
Committee

Dates 3-8-79 to

Present: Chrmn. Sturgulewski, Senators Stinson, Rodey, Mulcahy

Bill Numbers Discussed

SB 2	SB 204	SB 131	SB 205	SCR 9					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P.M.	000	SB 2	Chairman Sturgulewski
			Sen. Mulcahy Mtn. bring "CS" before Committee
			David Oleried-Haines - Nat'l Fed. Independent Business
			Mr. DeBoy - Dir - Gordon Youth Center
			Sen. Kelly, amend to Dept Env. Conser.
			Sen. Mulcahy move to Pass w/ind. rec.
			Decision to have work session tomorrow Beltz Rm
		SB 204	Carolyn Gucss - APUC Commissioner
			Sen. Hohman
			Bob Loeber
			Carolyn Gucss
			Mulcahy
			Rodey
			Hold until tomorrow Gucss to see Hohman w/
			David Hutchinson AK Dis Cooperative Assoc.
			Wm Larson, Mgr., Engineering Dept.
		SB 131	John Scribner, Dir. Water Programs
			Sally Hanson, Sen. Fertula's AA
			Palmer McCarter Dept. C/RA - objection
			Sen. Stinson move to Pass CS w/ind rec - No objection

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator George Hohman
Senator Frank Ferguson
Senator Mike Colletta
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - ASSEMBLY BUILDING, ROOM 207

Thursday, March 8, 1979

1:30 p.m.

SB 204 - An Act relating to public utility rates

SB 2 - Continued from February 22: An Act relating to the comprehensive recycling and reduction of litter and imposing a litter reduction assessment; and providing for an effective date.

3-8-79

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 7, SB 4

	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH	
Agn SB 2	David E. [illegible]	[illegible]	[illegible]	OK
SB 2	[illegible]	[illegible]	[illegible]	OK
SB 204	David Anderson	[illegible]	[illegible]	OK
SB 2	S M. DuBois	PO Box 1153 Sunburst	Gordon North Coutts	OK
SB 2	Larson			

Alaska State Legislature

C.S. SB 204

JUNEAU ALASKA

SENATE BILL 204 0 move 204

PROPOSED AMENDMENT

SECTION 1. AS 42.05.711 is amended by adding a new subsection to read:

(d) The sale of heat derived from the utilization of waste heat incidental to the primary service performed by the utility is exempt from regulation by the Commission; ~~provided, however,~~ but none of the costs incurred in utilizing and selling waste heat may be charged to the consumers of the primary service of that utility without the approval of the Commission.

SB

205

COMMITTEE REPORT

SENATE

2/13/79

FURTHER: FINANCE

Date: 2-13-79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 205

making a special appropriation to the Alaska Housing Finance Corporation

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

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Pat Rogers

Tony Knowles

Tom Kelly

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator George Hohman
Senator Frank Ferguson
Senator Mike Colletta
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - ASSEMBLY BUILDING, ROOM 207

Thursday, March 8, 1979

1:30 p.m.

SB 204 - An Act relating to public utility rates.

SB 2 - Continued from February 22: An Act relating to the comprehensive recycling and reduction of litter and imposing a litter reduction assessment; and providing for an effective date.

3-8-79

Committee Log Book -

Tape Number 1

Side Number 182

Senate C/RA
Committee

Dates 3-8-79 to _____

Present: Chrmn. Sturgulewski, Senators Stimson, Rodey, Mulcahy

Bill Numbers Discussed

SB 2	SB 204	SB 131	SB 205	SCR 9					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P.M.	000	SB 2	Chairman Sturgulewski
			Sen. Mulcahy Mtn. bring "CS" before Committee
			David Olerud-Haines - Nat'l Fed. Independent Business
			Mr. DeBoy - Dir. - Gordon Youth Center
			Sen. Kelly, amend to Dept Env. Cons.
			Sen. Mulcahy move to pass w/ind. rec.
			Decision to have work session tomorrow Belt Rm
		SB 204	Carolyn Gucss - APUC Commissioner
			Sen. Hohman
			Bob Tochus
			Carolyn Gucss
			Mulcahy
			Rodey
			Hold until tomorrow / Gucss to work w/ Hohman
			David Hutchinson AK Dir Cooperative Assoc.
			Jerry Larson, Mgr., Engineering Dept.
		SB 131	John Scribner, Dir. Water Programs
			Sally Hanson, Sen. Fertuld's AA
			Palmer McCarter Dept. C/RA - Objection
			Sen. Stimson move to pass CS w/ind rec - No objection

SB

216

PRESENT: Senators: Kelly, Mulcahy, Stimson, Sturgulewski
ABSENT: Senator: Rodey

Committee Log Book - 1979

Tape Number I

SENATE COMMUNITY & REGIONAL AFFAIRS

Side Number 1

Committee

CULTURAL FACILITIES - Work Session

Dates 3/29/79 to

Bill Numbers Discussed

HB	SB								
185	216								

Both Identical Bills

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/29/79 1:30 P.M.			Mtg. called to order by Chairman Sturgulewski
	--		Mr. Jim Deagen/Dept. of Commerce & Ec. Development
	110		Mr. P. McCarter/Dept. of C & R. A.
	124		Mrs. Shirley Rediger
	130		Sen. Sturgulewski
	138		Mr. Gene Walsh, AA to Chairman Sturgulewski
	141		Sen. Sturgulewski
	146		Mr. Terry Darley, St. Assessor / Chrmn Sturgulewski
	154		Mr. Darley
	156		Mrs. Rediger
	158		Chairman Sturgulewski
	205		Mrs. Rediger
	220		Sen. Mulcahy/ Mrs. Rediger
	249		Sen. Mulcahy
	260		Sen. Stimson / Mrs. Rediger
	278		Sen. Mulcahy
	280		Chairman Sturgulewski
	284		Sen. Mulcahy / Mrs. Rediger
	296		Chairman Sturgulewski
	306		Sen. Stimson
	314		Mr. Darley / Chairman Sturgulewski
	349		Mr. Darley
	354		Sen. Kelly
	363		Mr. Walsh / Mr. Darley
	376		Mr. McCarter / Mr. Darley
	380		Sen. Kelly / Mr. McCarter
	396		Chairman Sturgulewski / Mrs. Rediger
	461		Mr. Jack Chenoweth, Legislative Affairs Legal Chairman Sturgulewski / Mr. Chenoweth
	481		Mr. Walsh
	489		Mr. Deagen
	499		Chairman Sturgulewski and Sen. Kelly
	510		" " / Sen. Stimson
			Mrs. Rediger
	545		Mr. Dick Holden/DOT
	608		Chairman Sturgulewski/ Mr. Deagen
	630		Mr. Holden

OVER...

658 - Mr. Chenoweth
667 - Mrs. Rediger
681 - Mr. Walsh
684 - Chairman Sturgulewski
695 - Mr. Chenoweth
704 - Sen. Kelly
714 - " " / Chairman Sturgulewski
736 - " "
745 - Mr. Holden
760 - Chairman Sturgulewski/ Sen. Kelly
770 - Mrs. Rediger
790 - Sen. Kelly
797 - Chairman Sturgulewski
800 - Senator Kelly
802 - Senator Mulcahy
807 - Sen. Kelly
809 - Mr. Holden & Mr. Chenoweth
840 - Mr. Holden
860 - Chairman Sturgulewski
867 - Sen. Kelly
868 - Chairman Sturgulewski

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey
Senator Terry Stimson
Senator Glenn Hackney
Senator Bettye Fahrenkamp
Senator Pete Meland
All Interested Parties

FROM: Senator Arliss Sturgulewski as
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 13, 1979 / A Teleconference

1:30 p.m. SB 216 - An Act authorizing state aid to municipalities for the construction and development of cultural facilities.

Shirley Ridgely

Will contact me
when I please
as I handle our
[illegible]

Dept Commerce –
AK St Ch of Commerce
310 2nd St
99801

Patsy Woodman, if needed

① Thos Hermanson, Dillingham City Clerk
Bob Farley, Director Rep Theatre
(5) — City - ~~Sullivan~~ [redacted]
Chrmn Municpl Arts Advisory Brd ← Allan Youell

15

① ANCHORAGE: Will be calling back later today on who will be testifying.

(3) Wilda Hudson, Dir., Cultural & Rec. Serv./City ✓
(4) Yvonne Alfred, Assistant to the Mayor ✓

5 FAIRBANKS (1) Jean Mackin (to be confirmed)
Chairman State Arts Council

5 KETCHIKAN: (3) Jack Shay ,Councilman
Ron Wendt
~~Robert Sanderson~~, Mayor of Hydaburg
OBSERVER - if needed

5 KODIAK (2) Dr. R. Holmes Johnson
Mayor ~~Tom Frost~~ Gary Stevens
4 OBSERVERS

5 SITKA: (2) Carol Wheeler
Roberly Potter, Assembly-person

15 JUNEAU

Jane Stewart, Juneau Rep
Allen ~~Gray~~, Press, Mdl. Tac.
Sid Wright, Petersburg
Carol Denkinger, Pres.,
Wrangell Mayor or Mary Lemon

LOST IN MAIL

WORK ORDER REQUEST FORM

WO 6724

KEYWORDS: Revenue Sharing

Municipalities

Cultural Facilities

ASSIGNED TO Williams

REQUEST FOR: BILL ☐ RESOLUTION ☐ RESEARCH ☒ OTHER ☐

SUBJECT Cultural Facilities Revenue Sharing (SB 216)

REQUESTED FOR Senator Sturgulewski BY Gene Walsh EXT. 3759

* DELIVER TO Gene Walsh TAKEN BY Erickson

INSTRUCTIONS, EXPLANATIONS

Review and comment on effects and equity of revenue sharing formula on Page 4 of SB 216. Due Wednesday.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED ☐

AUTHORIZED TO CONFER WITH Anyone

RETURN

TO REQUESTER

APPROVED: _____ Director, Legal Services

GKH Director, Research

REVIEWED

IN 2/28 DUE 3/7

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT ☐ FINAL ☐

LA-L 10

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM

March 6, 1979

SUBJECT: SB 216 - Cultural Facilities (W.O. #6724)

TO: The Honorable Arliss Sturgulewski

FROM: John Williams
Policy Analyst

You have asked that we comment on the effect and equity of the formula provided in SB 216, an Act authorizing state aid to municipalities for the construction and development of cultural facilities. We submit the following information and comment.

Summary

Property value is generally a reasonable indicator to use to determine relative abilities of municipalities to pay for services. If only one indicator were to be used, especially considering the relative ease of gathering property value information and of verifying the validity of the data, it is probably the best. "Assessed" valuation is generally not as good an indicator as "full and true" value, in that full and true values consider optional exemptions and variances from market value. The formula is silent on state assessed oil and gas properties (AS 43.56). We assume that oil and gas properties are to be used in calculating the state average assessed valuation. If so, the use of assessed as compared to full and true values for non oil and gas properties will tend to increase the relative importance of state assessed property. Lastly, the use of the variable base percentage (10 percent for the smallest communities and 30 percent for the largest) will tend to increase the differential between small community and large community contributions, since more infrastructure and thus more tax base is generally attributed to larger communities.

Property Value as Ability to Pay Indicator

The formula contribution varies according to the relation of the local property value to the state-wide average. Property value is thus being used as an indicator of the "wealth" of each community. Wealth varies from income in that income is realized in the present, while wealth is previous income which has been invested in any number of ways, including property, stocks and bonds, jewelry, precious metals, etc.

Taxes are generally paid from income and not from wealth. However, it can be argued that local governments may not tax income, and therefore property value is a better single indicator of ability to pay.

Assuming that the municipal share of the cost of the cultural facilities will generally be financed with municipal bonds, debt capacity should be discussed. Debt capacity is a function generally of municipal population and property value. Rules of thumb used to estimate debt capacity by the municipal bond bank are $2,000 per capita or 15 percent of assessed valuation. Some cities (especially Petersburg and Klawock) are at or near the maximum, while others are not near their debt limits. While debt load and debt capacity are necessarily major considerations of the local governments, it would seem that the formula adequately considers debt capacity, both via the use of property value and the differential "contribution percentage" which increases with population.

Assessed Versus Full and True Property Valuation

The bill provides for the use of assessed valuations in the formula. Assessed values do not include optional municipal exemptions, including personal property, the first $10,000 of residential property, fishing vessels, etc. It also may vary to different degrees from the market value of the assessed property.

The state assessor is presently directed to evaluate local assessments and to adjust them to full and true property values (AS 29.53.060). Full and true values are a much improved indicator when comparing municipal wealth, especially when property value is the only indicator.

State Assessed (Oil and Gas) Property

AS 43.56 provides for state assessment of oil and gas properties. Oil and gas properties constitute nearly 52 percent of the total property value in the state (Alaska Taxable 1978), and thus their inclusion or exclusion is significant. Since oil and gas property that is located within a municipal boundary is taxable by that municipality (and municipal property taxes are deducted from state property tax liability), it would seem reasonable to include these properties. On the other hand, much of the Alaska pipeline and some other oil properties are located within the unorganized borough and are thus not taxed by local governments. We mention this for your consideration, but offer no opinion as to the merits of the partial exclusion of oil and gas property when determining the state property value base utilized in the formula.

Contribution Percentage Base Differential

The formula, by using a quotient which relates local property value to a state average property value base, generally shifts more of the construction cost to the state for relatively poor municipalities and the reverse for relatively wealthy municipalities (although we note that cities that

have property values in excess of the state average are protected from paying greater than the base percentage contribution rate). The use of a variable percentage contribution base is a significant divergence from the basic philosophy of "from those according to their abil ty." If it follows that larger comm.nities have better tax bases, then the differential base would tend to exaggerate the effect of formula.

Further Comments

We presently have in our computer library a data file which contains a complete set of per capita property values for all municipalities. The values are full and true values, however, and thus not applicable to the present formula. Should you desire, we can provide some computer calculations of contribution rates or other information using the data base we now have. We could likewise generate information using assessed valuations; however, it would require the construction of a new data file and could not be delivered as expeditiously. Please let us know if we can be of further assistance.

JW:jm

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey
Senator Terry Stimson
Senator Glenn Hackney
Senator Bettye Fahrenkamp
Senator Pete Meland
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 13, 1979 / A Teleconference

1:30 p.m. SB 216 - An Act authorizing state aid to municipalities for the construction and development of cultural facilities.

3-13-79

Committee Log Book -

Tape Number 1

SENATE C/RA //
Committee

Side Number

MEMBERS PRESENT: Chairman Sturgulewski, Senators Kelly, Rodey, Stimson, and Mulcahy (late)

Dates 3/13/79 to

Bill Numbers Discussed

SB 216	(TELECONFERENCE)							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30	000		Chairman Sturgulewski opened meeting. Sen. Hackney
	70	ANCH.	Lois Hermanson
	117	"	Gary Anderson
	197	Barrow?	Betsy Woodman, for Wilda Hudson Ross Dixon, President, Uganvik of the Arctic
	314	ANCH	Bets Woodman for Wilda Hudson
	374	SITKA	Roberly Potter, Mbr. of Borough Assembly
	397	"	Carol Wheeler, Mbr. of Sitka Arts Committee
	404	ANCH	Yvonne Alfred, Ass't. to Mayor
	435	FBX	Jean Mackin, Chrmn. of St. Arts Council
	464	KETCH.	Jack Shay, Councilman & Boro Assemblyman
	518	JNU	Senator Meeland (Bill Co-Sponsor)
	526	KETCH	Ron Wendt, Chrmn, Community Steering Committee
	625	JNJ	Sen. Kelly
	639	KETCH	Ron Wendt
	689	"	Msg. to Rodey
	692	KODIAK	Dr. Bob Johnson, Chrmn Kodiak Facil. Comm.
	719	"	Gary Stevens, Mayor, Kodiak Sen. Sturgulewski & Stevens
	774	JNU	Jane Stewart, Arts Groups plus other small groups
	890	"	Alan Gregg, Pres. Cultural Facilities
	825	"	Sen. Kelly and Mr. Gregg
	846	"	Sen. Stimson
	870	"	Mr. Gregg
	876	"	Sid Wright, Petersburg, Principle Petersburg High School
	913	ANC	Carol Durkner
	939		Sen. Rodey and C. Durkner
	957	JNU	Mary LeVan - Former City Administrator of Angoon
	991	"	Ginny Chitwood, Ak. Municipal League / Endorsing
	995	KETCH	Jack Shay
	1022	ANCH	Betsy Woodman
3:12	MEETING ADJOURNED...		

File ref SB216

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 185
Title "An Act authorizing state aid to municipalities for the construction
Requested by and development of cultural facilities." Date 1-9-79

II. FISCAL DETAIL
Agency Affected Commerce and Economic Development
Program Category Affected Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		47.0	49.8	52.8		
200	TRAVEL		12.5	13.3	14.1		
300	CONTRACTUAL		8.0	7.8	8.0		
400	COMMODITIES		.4	.4	.4		
500	EQUIPMENT		1.5	.3	.3		
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		69.4	71.6	75.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		69.4	71.6	75.6		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1.5	1.5	1.5		
PART TIME						
TEMPORARY						

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

Equipment and advertising - larger expenditures required the first year.

This Fiscal Note assumes no construction of cultural facilities.

IV. DATE March 9, 1979 PREPARED BY Bart Wagnon, Deputy Commissioner
AGENCY Commerce and Economic Development
PHONE 465-2500

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

HB 185 HB 185 Page 2 of 2 3-9-79
Advisory Commission

5 Members - no compensation

First year - Travel - 4 meetings @ $250 per meeting $5,000
three days per diem @ $165 per meeting..... 3,300

Second year - Travel - 3 meetings - travel & per diem @ $430 per meeting.... 6,450

Third year - Travel - 2 meetings - travel & per diem @ $460 per meeting..... 4,600

Assumptions:

1. Personnel Services

One Professional person, a Capital Improvement Project Coordinator (range 20) will be required. This position will:

a) establish an application process
b) work closely with each community which applies for funds to construct cultural facilities
c) administer the grant program
d) oversee the engineering and architectural work and;
e) prepare the financial package to go to bid.

(Salary $2,532 per month, plus benefits of $684 per month.)

In addition, one clerical person working half-time will be required. Clerk Typist III (range 8) for correspondence, filing, etc.

(Salary $554 per month plus benefits of $150 per month.)

2. Travel requirements are estimated at 12 trips @ $350 per trip (per diem included in estimate). These trips will be required during the application process, to meet with the cultural coordinating committees over architectural designs and engineering estimates and during the early stages of construction.

3. Contractual

A. Rent - 250 feet^2 @ $1.25 per feet^2/month $3,700
B. Telephone, communications..... 1,300
C. Postage, etc..... 500
D. Printing and advertising..... 1,000
E. Professional fees and services..... 1,500

4. Commodities

Office supplies 400

5. Equipment

Desk, chair, file cabinet, calculator..... 1,500

After FY '80 - inflation estimated @ 6% per year.

ALASKA STATE LEGISLATURE

Legislative Affairs Agency
Pouch Y - State Capitol
Juneau, Alaska 99811

REGIONAL INFORMATION OFFICE
1024 West 6th Avenue
Anchorage, Alaska
99501
(907) 278-3668

MAR 16 1979

Enclosed for your information and files are materials relating to the teleconference on SB 216 - cultural facilities held March 13, 1979, including a copy of the witness and observer list.

Judy Hopkins
Anchorage Moderator

LAA 11
(Rev. 4-29-77 M)

~~General publicity~~. Committee AA will provide summary.

Committee will make contacts. 3/6/79
No general publicity.

PUBLICITY:

INVITATIONAL

	Date	Quantity
PSAs		
Audio PSAs		
Video PSAs		
News releases		
Direct mail		
Phone contacts		
Other:		
Posted at LIO	3/2	

Copies to LIN Juneau 3/15
Copies to committee 3/13
Copies to sponsor

NUMBER IN ATTENDANCE 4
NUMBER TESTIFYING 4

Shot 11:30 Apr.
Sent

1-30-79

PLEASE PRINT

(T)

Name Gary D. Anderson — Here to TESTIFY —

Representing Alaska Repertory Theatre

Mailing Address SRA Box 1316, Anchorage Ak Zip 99502 — Here to OBSERVE —

Phone 349-5772

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Gary D. Anderson
(signature)

Have you participated in other legislative — Would you have participated in this hearing

PLEASE PRINT

(T)

Name Betzi Woodman — Here to TESTIFY —

Representing Cultural Facilities Devel. Committee Anchorage

Mailing Address 117 E Cook Ave Zip 99501 — Here to OBSERVE X

Phone Anchorage 277-0764

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Betzi Woodman
(signature)

Have you participated in other legislative — Would you have participated in this hearing

PLEASE PRINT

(T)

Name Yvonne Alford — Here to TESTIFY X

Representing Mayor Sullivan

Mailing Address Muni of Anc Pouch 6-650 99502 — Here to OBSERVE X

Phone

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Yvonne M. Alford
(signature)

Have you participated in other legislative teleconferences? ____ How many? ____ — Would you have participated in this hearing if the network were not available? ____

PLEASE PRINT

(T)

Name Lois Hermansen — Here to TESTIFY ✓

Representing City of Dillingham

Mailing Address Box 191 Zip 99576 — Here to OBSERVE ____

Phone 842-5211

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Lois R. Hermansen
(signature)

Have you participated in other legislative teleconferences? NO How many? ____

How did you learn about this hearing?

Cultural Facilities Development Committee

Would you have participated in this hearing if the network were not available? Possibly — Not as easily though

If yes, did you use the network:
✓ instead of travel to Juneau
___ instead of phone conversations
___ instead of mailed testimony

Date: 3/13/79 Subject: SB 216 - cultural facilities Location: Anchorage

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey
Senator Terry Stimson
Senator Glenn Hackney
Senator Bettye Fahrenkamp
Senator Pete Meland
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, March 13, 1979 / A Teleconference

1:30 p.m. SB 216 - An Act authorizing state aid to municipalities for the construction and development of cultural facilities.

TWY 1a
Rec'd 3/14/79

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 185
Title "An Act authorizing state aid to municipalities for the construction
Requested by and development of cultural facilities." Date 3-9-79

II. FISCAL DETAIL
Agency Affected Commerce and Economic Development
Program Category Affected Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		47.0	49.8	52.8		
200	TRAVEL		12.5	13.3	14.1		
300	CONTRACTUAL		8.0	7.8	8.0		
400	COMMODITIES		.4	.4	.4		
500	EQUIPMENT		1.5	.3	.3		
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		69.4	71.6	75.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		69.4	71.6	75.6		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1.5	1.5	1.5		
PART TIME						
TEMPORARY						

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

Equipment and advertising - larger expenditures required the first year.

This Fiscal Note assumes no construction of cultural facilities.

IV. DATE March 9, 1979 PREPARED BY Bert Wagnon, Deputy Commissioner
AGENCY Commerce and Economic Development
PHONE 465-2500

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

33-001 (Rev. 10/78)

Advisory Commission

5 Members - no compensation

First year - Travel - 4 meetings @ $250 per meeting $5,000
three days per diem @ $165 per meeting..... 3,300

Second year - Travel - 3 meetings - travel & per diem @ $430 per meeting.... 6,450

Third year - Travel - 2 meetings - travel & per diem @ $460 per meeting..... 4,600

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1. Personnel Services

One Professional person, a Capital Improvement Project Coordinator (range 20) will be required. This position will:

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B. Telephone, communications..... 1,300
C. Postage, etc..... 500
D. Printing and advertising..... 1,000
E. Professional fees and services..... 1,500

4. Commodities

Office supplies 400

5. Equipment

Desk, chair, file cabinet, calculator..... 1,500

After FY '80 - inflation estimated @ 6% per year.

Rec'd 3/4/79

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 216
Title "An Act authorizing state aid to municipalities for the constructio
Requested by and development of cultural facilities." Date 3-9-79

II. FISCAL DETAIL
Agency Affected Commerce and Economic Development
Program Category Affected Development
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

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200	TRAVEL		12.5	13.3	14.1		
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400	COMMODITIES		.4	.4	.4		
500	EQUIPMENT		1.5	.3	.3		
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		69.4	71.6	75.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		69.4	71.6	75.6		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1.5	1.5	1.5		
PART TIME						
TEMPORARY						

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

Equipment and advertising - larger expenditures required the first year.

This Fiscal Note assumes no construction of cultural facilities.

IV. DATE March 9, 1979 PREPARED BY Bert Wagnon, Deputy Commissioner
AGENCY Commerce and Economic Development
PHONE 465-2500

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

33-001 (Rev. 10/78)

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B. Telephone, communications..... 1,300
C. Postage, etc..... 500
D. Printing and advertising..... 1,000
E. Professional fees and services..... 1,500

4. Commodities

Office supplies 400

5. Equipment

Desk, chair, file cabinet, calculator..... 1,500

After FY '80 - inflation estimated @ 6% per year.

SB

231

COMMITTEE REPORT

SENATE

3/1/79 FURTHER: Labor & Management

Date: 3-15-79

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had SB 231 rates for penalty and interest for unpaid property taxes

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bill Mahan

Tom Hagedorn

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy called
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey
Senator Terry Stimson
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - [redacted]Y BUILDING, ROOM 207

Butro Rm 207

Thursday, March 15, 1979

1:30 p.m. SB 231 - An Act relating to rates for penalty and interest for unpaid property taxes; and providing for an effective dat .

3/15/79

Committee Log Book -

Tape Number 1

SENATE C/RA

Side Number 1

Committee

Dates 3/15/79 to ----

PRESENT: Chairman Sturgulewski, Senators Kelly and Mulcahy ABSENT: Senators Rodey and Stimson

Bill Numbers Discussed

SB 231									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p.m.	000		Chrmn Sturgulewski opened meeting
	020		Janet Pursley/Anch. Ec. Development Commission
	040		Mitch Gravo, Anch. Municipality
	050 056		Dept. C/RA, Palmer McCarter Sen. Kelly MOVED "DO PASS"
			- -

SB 231

3-15-79

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Senate C/RA

3-15-79

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
JANET L. PURSLEY	SUITE 120 505 W NORTHERN LIGHTS ANCHORAGE 99503	ANCHORAGE ECONOMIC DEVELOPMENT COMMISSION AND ASSEMBLYMAN BEN MARSH
Mitch Davis	Pouch 6-650 Auch Alaska	Municipality of Auch
Palmer McCarter	Pouch B - Juneau	C & LA
JERRY EARLEY	Pouch B Juneau	C & RA

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey
Senator Terry Stimson
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - CAPITOL [redacted] BUILDING, ROOM 207

Thursday, March 15, 1979

1:30 p.m. SB 231 - An Act relating to rates for penalty and interest for unpaid property taxes; and providing for an effective date.

STATE OF ALASKA

Inter-Department Route Slip

TO: Legislature
MAIL STATION NUMBER 3100

DEPARTMENT _____

ATTENTION 2nd RA Committee

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☑ For Your File	☐ Your Information

Remarks:

MAR 7 1979

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT 2nd RA

BY Lynn Wegener/dm DATE 3/7

02-002 (REV.10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

Copies TO Gene Senator

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 231

Title Relating To Rates For Penalty & Interest For Unpaid Property Taxes

Requested by Department of Community & Regional Affairs Date

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

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

No cost to State. Appears to simplify language concerning penalties and interest on unpaid property taxes.

Changes penalty on unpaid first half installment from eight percent (8%) to ten percent (10%) however, removes the apparent existing implication that a delinquent first half installment necessitates interest on entire tax bill.

Terry Earley

IV. DATE 3/6/79 PREPARED BY Terry L. Earley, State Assessor

AGENCY Department of Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

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

33-001 (Rev. 10/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey
Senator Terry Stimson
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - ASSEMBLY BUILDING, ROOM 207

Thursday, March 15, 1979

1:30 p.m. SB 231 - An Act relating to rates for penalty and interest for unpaid property taxes; and providing for an effective date.

SB
259

COMMITTEE REPORT

SENATE

3/29/79

FURTHER: Labor & Management

Date: _____

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had SB 259

relating to historical districts

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 [ ] new title

and recommends _____

[ ] 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:

Tom Kelly - No Rec

Terry Stimac - No Rec

"Do Pass"

_____
CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number III

Side Number 1 & 2

Dates 2-12-80 to —

Senate C/RA
Committee
Chairman A. Sturgulewski

Present: Senators: Sturgulewski, Rodey, Stimson, Kelly
Absent: Senator Mulcahy

Bill Numbers Discussed

SB 259	SB 342								

	Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
Side ①	2-12-80 1:30 P.	045	SB295	Chip Denerlein - Dept. DNR - Director St. Parks
		144		Question - Sen. Stimson
		206		" Rodey
		246		Amendment - wording
		306		Sen. Rodey "Do Pass W/ Individ. Rec." No Obj.
		377		End.
		384	SB 342	Commissioner Ernie Mueller, Dept. Envir. Conser.
		455		Keith Kelton " "
		619		Sen. Kelly
		733		Ginny Chitwood
		780?		Mr. Mueller
Side ②		004		Sen. Kelly
		054		Sen. Rodey - Question?
		417		End - Bill Held

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 11, 1980

TO: SENATOR BOB MULCAHY
VICE-CHAIRMAN
SENATOR TIM KELLY
SENATOR TERRY STIMSON
SENATOR PAT RODEY
SENATOR BILL RAY
All interested parties

FROM: SENATOR ARLISS STURGULEWSKI
CHAIRMAN

SUBJECT: COMMITTEE MEETING - BUTROVICH RM.,#207, Capital Building

TUESDAY, FEBRUARY 12, 1980 - 1:30 p.m.

SB 259 - AN ACT RELATING TO HISTORICAL DISTRICTS

SB 342 - AN ACT PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF $25,520,000 FOR THE PURPOSE OF PAYING THE COST OF CAPITAL IMPROVEMENTS FOR WATER AND SEWER SYSTEMS: AND PROVIDING FOR AN EFFECTIVE DATE

DISCUSSION - Increase in state participation, municipal sewer/water facilities.
Additional state participation in solid waste/resource recovery systems.

BACKGROUND

CHAPTER 139, SLA 1977, established the Historic District and Tourism Revolving Loan Fund.

General law and home rule municipalities may, in consultation with the State Historic Sites Advisory Committee, establish historical districts within their jurisdictions. An historic district for this purpose is "a reasonably compact area of historical significance in which two or more structures important to state or national history, and related by physical proximity or historical association, are located."

Owners of properties in such districts may apply to the Division of Business Loans, Department of Commerce and Economic Development, for long term loans (currently 7.5% interest rate) for rehabilitation and improvement if the following conditions are met.

1. Property must contribute to historical character of district.

2. Project must be recommended by municipal governing body or designated agent (planning and zoning commission or historic district commission).

3. Project must be recommended by State Historic Sites Advisory Committee.

4. Division of Business Loans must approve application.

There are now historic districts in: Juneau, Skagway, Haines, Eagle, and Nome. Districts are under consideration in Anchorage, Fairbanks, and Ketchikan. Potential exists for districts in a number of other places.

District sizes vary greatly with character of historic resources present and municipal considerations. All of Eagle, Nome, and Skagway are included in the districts. At Haines, only Fort Seward is included. Juneau has the potential for several in addition to the present downtown district.

At present there is no direct funding for historic district loans. When such loans have been made in the past, DBL has obtained the money by "selling" them to Department of Revenue.

SB
296

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 296

Title Relating to Partial Exemption of Property Tax

Requested by Senator Stimson Date 1-21-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected State Assessors Office, LGAD 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		100.0	108.0	116.6	125.9	136.0
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		25.0	27.0	29.2	31.5	34.0
400 COMMODITIES		0	0	0	0	0
500 EQUIPMENT		7.5	0	0	0	0
600 LAND & STRUCTURES		0	0	0	0	0
700 GRANTS, CLAIMS, ETC		34,687.4	36,421.8	38,242.9	40,155.0	42,162.8
TOTAL	0	34,819.9	36,556.8	38,388.7	40,312.4	42,332.8

FUNDING (Thousands of Dollars)

GENERAL FUND	0	34,819.9	36,556.8	38,388.7	40,312.4	42,332.8
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)

S B 296 exempts $25,000 in value from residential property. Revenue lost to the municipality by implementation of this bill shall be reimbursed by the State. This will necessitate an audit procedure of applications for each municipality. The number of applications to be audited is estimated to be approximately 125,000 in 1981 and an expected growth rate of new applications at 5% each year following.

It is anticipated that computerization of this program will help deter some personal services expenditures, however, it will be necessary to employ 5 clerical positions for the auditing procedures.

The estimated total revenue lost by the municipalities is $37,355,700 for 1981. This was computed as follows:

IV. DATE 1-21-80 PREPARED BY Steve Van Sant (345)

AGENCY Community & Regional Affairs

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

SB
299

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 299

Title Relating to Maximum Mill Levy for Property Taxes

Requested by Senator Kerttula Date 1-21-80

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

BRU, Program, or Subprogram(s) Affected N/A

(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	0					

FUNDING (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0					
PART TIME						
TEMPORARY						

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

This bill limits the mill levy for all municipalities to 9 mills.

The fiscal impact of this bill would result in a loss of revenue for the local municipalities of an estimated 44.8 million dollars from local property taxes. (see attachment for breakdown)

The State General Fund would realize an estimated 18 million dollar increase due to the limiting of local mill levy on State Assessed Oil & Gas Properties. The major impact of this would occur in the North Slope Borough.

IV. DATE 1-21-80 PREPARED BY Steve VanSant

AGENCY Community & Regional Affairs

PHONE 465-4737

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

Municipality	*Assessed Value (Real & Personal)	Average Mill Rate	Revenue	Revenue @ 9 Mills	Revenue Loss
Anchorage	5,555,057,231	13.79	76,604,239.2	49,995,515	26,608,724
Bristol Bay	40,252,496	10.50	423,701	363,172	60,529
Fairbanks	1,158,310,825	15.68	18,162,314	10,424,797	7,737,517
Haines	41,583,539	8.20			None
Juneau	528,050,825	12.38	6,537,269	4,752,457	1,784,812
Kenai	1,398,092,424	11.9	16,637,300	12,582,832	4,054,468
Ketchikan	306,473,045	16.00	4,903,569	2,758,257	2,145,312
Kodiak	279,254,343	12.18	3,401,324	2,513,294	888,030
Matanuska/Susitna	813,520,720	9.4	7,647,095	7,321,686	325,409
North Slope	** 214,020,190	7.66	No loss in Revenue		
Sitka	273,382,270	3.50	No loss in Revenue		
TOTAL					43,604,801

*Does not include state oil and gas assessment.

**North Slope Borough would lose approximately 18 million dollars revenue from assessed value of State oil and gas, but none from locally assessed property.

Municipality	Assessed Value(Real & Personal)	Actual Average Mill Rate	Present Revenue	Revenue @ 9 Mills	Revenue Lost
Cordova	33,722,709	15	505,840	303,504	202,336
Craig	5,419,031	12	65.028	48,771	16,257
Dillingham	32,439,747	10	324,397	291,957	32,440
King Cove	4,732,096	12	56,785	42,589	14,196
Kenana	5,595,199	10	55,952	50,357	5,595
Nome	39,141,586	15	587,124	352,274	234,850
Petersburg	56,018,199	14	784,255	504,164	280,091
Valaska	32,493,060	14	454,903	292,437	162,466
Wrangell (2 III) (2 IV)	42,391,156	11.92) 14.9) 13.41	568,465	381,520	186,945
Yakutat	6,142,959	13.7	84,158	55,287	28,871
TOTAL					1,164,047
					43,604,801
					44,768,848

Municipality	Assessed Value (real & Personal)	Actual Average Mill Rate	Present Revenue	Revenue @ 9 Mills	Revenue Lost
Cordova	33,722,709	15	505,840	303,504	202,336
Craig	5,419,031	12	65,028	48,771	16,257
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King Cove	4,732,096	12	56,785	42,589	14,196
Kenana	5,595,199	10	55,952	50,357	5,595
Nome	39,141,586	15	587,124	352,274	234,850
Petersburg	56,018,199	14	784,255	504,164	280,091
Valaska	32,493,060	14	454,903	292,437	162,466
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TOTAL					1,164,047
					43,604,801
					44,768,848

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

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SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

Committee Log Book - 1980

Tape Number XI

Senate CRA
Committee

Side Number 182

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, Malcolky Dates 2/26/80 to —

Absent: Sen. Rodey

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 389		SB 456		SB 431	SB 138	SB 154

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40 P.	005		Mtg. Opening - Summary
	075	SB 299	Sen. Kerttula - "
	252		Sen. Kelly - Bill Intent
	275		Sen. Kerttula
	315	SB 427	Sen. Ferguson - Summary
	428	SB 389	Mayor, Don Gillman (Soldotna.)
		SB 427 SB 456 & SB 465	
	522		Sen. Sturgulewski - "
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " (02.08 - Should be 29.53.025)
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palmquist Incorp. Language SS HCR 45
	791	SB 456	" "
	793	SB 465	" "
	803	SB 465	Sen. Stimson)
	840	SB 299	"

Side (1)

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stimson
082	SB 389	Pat Porter - Soldotna (SS SB 45 - Line 16)
138		Ruby Coil
241	SB 465	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	ROSE Palmquist
454	~~SB~~ 431	Larry Kadell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (for Sen. Bradley)
539	SB 154	
	SB 389	
~~680~~ 617	SB 427	Vivian Loveless
659	~~SB~~ 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Rodey arrived 3 p.m.

Hrg. adjourned 3:07

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	[illegible]	[illegible]
News releases (local)	[illegible]	1
News releases (outlying media)	the Daily News KTKN KRBA	
Direct mail		
Phone contacts		
Other:		

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811

Phone: 465-4980

SB
309

COMMITTEE REPORT

SENATE

FURTHER: JUDICIARY

1/14/80

Date: 3-5-80

Mr. President:

The Committee on COMMUNITY and REGIONAL AFFAIRS has had SB 309

requiring the preparation of a local government impact statement

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 [ ] new title

and recommends _____

[ ] 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:

_____

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XVIII

SENATE C/RA
Committee

Side Number 1 & 2

Dates 3/25/80 to ---

PRESENT: Senators Kelly, Mulcahy, Stimson and Chairman Arliss Sturgulewski

ABSENT: Sen. Rodey

Bill Numbers Discussed

SB 309	SB 370	SB 348	SB 350	SB 492					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P 3/25/80	0005	SB 309	Sen. Sturgulewski, Opened meeting, gave overview
	090	CSSB 309	Sen. Kelly moved to accept
	108		Terry Earley, Dept. C/RA
	157		Sen. Kelly moved to pass/ No objections
	175	SB 370	Sen. Kelly moved to adopt Committee Substitute
	280		Sen. Kelly stated problems with the bill
	430		Sen. Stimson comments his concerns
	463		Sen. Sturgulewski reviews members concerns
	494		G. Crouse, Dept. of Public Safety / objection
			to CS - 1st sentence needs deletion
	571	CSSB 348	Sen. Sturgulewski
	596		Sen. Mulcahy moves to bring CS before Committee
	648		Sally Rue, DPDP, testifies for
	829		Terry Earley, Dept. of C/RA testifies Fiscal Note
	873	CS SB 350	No Fiscal Note for new "CS" available yet
Side 2	008		Jay Moore, DPDP testifies for
	264		Dale Eliason
	325		Sen. Mulcahy moved to pass all 3 bills (CSSB 348, CSSB 350, CSSB 492
			Sen. Kelly praised package, but did not vote as against his philosophy

2:45 p.m. MEETING ADJOURNED

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

TO:

Senator Bob Mulcahy Vice-Chairman	Senator Jalmar Kerttula
Senator Tim Kelly	Senator Ed Dankworth
Senator Pat Rodey	Senator Bettye Fahrenkamp
Senator Terry Stimson	Senator Don Bennett
Senator Mike Colletta	Representative Terry Gardiner
Senator Brad Bradley	Representative Oral Freeman
Senator Glenn Jackney	Representative Ernie Haugen
Senator Robert Ziegler	Representative Richard Eliason

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Tuesday, March 25, 1980 - 1:30 p.m. (Butrovich Room)

SB 370 - An Act relating to fire prevention.

SB 309 - An Act requiring the preparation of a local government impact statement.

SB 348, 349, 492 - (Part of the Local Government Study Package)

Wednesday, March 26, 1980 - 1:30 p.m. (Beltz Room)

SB 348, 349, 492 - Local Government Study Package Work Session

Thursday, March 27, 1980 - 1:30 p.m. (Butrovich Room)

SB 408 - An Act making a special appropriation to the Department of Community and Regional Affairs for village gardening projects; and providing for an effective date

HJR 62 - An Act relating to the Alaska Power Authority and the incurring of revenue bond indebtedness of the APA for the Tyee Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough.

SB 389 - An Act relating to the senior citizens tax exemption.

Friday, March 28, 1980 - 1:30 p.m. (Governor's Conference Room)

HB 932 - Creating Office of Rural Development and Rural Devlopment Council Joint C/RA meeting (teleconference)

Tape Side facing out window is Side Recording

TAPE 1

Committee Log Book - 1979

Tape Number (1)

Side Number

Committee

Dates 1/29/80 to

All Committee Members Present: Chairman Sturgulewski
Vice Chairman Mulcahy
Senators Stinson, Kelly, Rodey

Bill Numbers Discussed

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
start tape (1) 1/29/80	65	SB 309	Sen. Hackney
	216		Palmer McCarter - Dept. C/RA
	250		Phil Wall - Dept Revenue
	311		Marcia Hubbard - HESS
	488		Dennis Cowles - Environ. Conservation
"	644-696	Kodiak	Report by Dept C/RA - As Requested
1/31/80			Stinson, Mulcahy, Rodey - Sturgulewski
	693	SB 319	Senator Rodey - Local Services
	709		Jerry Early (DR) - Dept. C/RA
	806		Rodey " " " No obj
Start TAPE (2) "	Not on tape	SB 324	Rodey - Explanation of bill
	00-014		McCarter - Dept C/RA
	144		Kahoe re Bank " " - Local Affairs
	115		Stinson leaves
	292		Rodey Move " " " No obj.
	306		End

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 28, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Pat Rodey
Senator Glnn Hackney
Senator Robert Ziegler
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, January 29, 1980 - 1:30 p.m.

SB 309 - An Act requiring the preparation of a local government impact statement.

KODIAK REPORT - Review of Services, by the Department of Community and Regional Affairs.

WO 7417
Guthrie

Original sponsors: Hackney, Ziegler and Kelly

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 309

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to adoption, amendment, repeal and filing of regulations and requiring the preparation of a local government fiscal impact statement."

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

* Section 1. AS 44.62 is amended by adding a new section to read:

Sec. 44.62.195. LOCAL GOVERNMENT FISCAL IMPACT STATEMENT. If the adoption, amendment, or repeal of a regulation would result in a change in the amount of revenue available to, or the expenditures required of, a municipality, the department or agency proposing to adopt, amend, or repeal the regulation shall, in cooperation with the Department of Community and Regional Affairs, prepare a fiscal impact statement. In the fiscal impact statement the department or agency shall identify and describe the change in the amount of revenue available to or the expenditures required of the municipality by the adoption, amendment, or repeal of the regulation.

* Sec. 2. AS 44.62.200(a) is amended by adding a new paragraph to read:

(5) a summary of the local government fiscal impact statement required under AS 44.62.195.

* Sec. 3. AS 44.62.320(b) is amended to read:

(b) At the same time a regulation is filed by the lieutenant governor, the lieutenant governor shall submit the regulation to the chairman <u>and all members</u> of the Administrative Regulation Review Committee for review under AS 24.20.400 - 24.20.460 <u>together with any fiscal impact statement required to be prepared under AS 44.62.195</u>.

Allen Supplied Twyla

Introduced: 1/14/80
Referred: Community and Regional Affairs and Judiciary

BY HACKNEY, ZIEGLER AND KELLY

IN THE SENATE

SENATE BILL NO. 309

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act requiring the preparation of a local government impact statement."

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

* Section 1. AS 44.62 is amended by adding a new section to read:

Sec. 44.62.195. LOCAL GOVERNMENT ~~IMPACT STATEMENT~~ Fiscal Note on Regulations. If the adoption, amendment, or repeal of a regulation would result in a change in the amount of revenue available to, or the expenditures required of, a municipality, the department or agency proposing to adopt, amend, or repeal the regulation shall work with the Dept. of Com. & Reg'l Affairs ~~prepare an impact statement~~ Fiscal Note. In the statement the department or agency shall identify and describe the ~~direct and indirect effects~~ Fiscal impact on the municipality of the adoption, amendment, or repeal of the regulation.

* Sec. 2. AS 44.62.200(a) is amended by adding a new paragraph to read:

(5) a summary of the local government ~~impact~~ Fiscal impact statement required under AS 44.62.195.

* Sec. 3. AS 44.62.320(b) is amended to read:

(b) At the same time a regulation is filed by the lieutenant governor, the lieutenant governor shall submit the regulation to the chairman and all members of the Administrative Regulation Review Committee for review under AS 24.20.400 - 24.20.460 together with any ~~local government~~ Fiscal impact statement required to be prepared under AS 44.62.195. or 44.62.196

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSB 309
Title An Act requiring the preparation of a local government impact statement.
Requested by _____ Date _____

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		95.5	103.2	111.4	120.3	129.9
200	TRAVEL		2.0	2.2	2.3	2.5	2.7
300	CONTRACTUAL		4.9	5.3	5.7	6.2	6.7
400	COMMODITIES						
500	EQUIPMENT		1.5	0	0	0	0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		103.9	110.7	119.4	129.0	139.3

FUNDING (Thousands of Dollars)

GENERAL FUND		103.9	110.7	119.4	129.0	139.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

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

1. The personal servides cost is based on the addition of three staff members (a Local Government Specialist IV - Range 19, a Local Government Specialist III - Range 17 and a Clerk Typist III - Range 8) to handle the additional work.

2. Benefits are included in the personal services cost. These are figured at 28% of salary per year.

3. Travel costs are figured at $2,000 a year. Preparation of the required fiscal notes would require dealing with agencies throughout the state and phone calls would not always be adequate to resolve the issues.

4. Contractual costs are to cover long distance telephone tolls and telephone base rate for 3 persons (1.5), typewriter rental (2.7), and rent for an additional 450 sq. ft. of floor space (.7).

- Continued -

IV. DATE 3-25-80 PREPARED BY McKie Campbell
AGENCY Community & Regional Affairs
PHONE 465-4755

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

33-001 (Rev. 12/79)

5. All the above costs are increased at 8% a year for inflation.

6. The one time equipment cost is for desks, office equipment, etc. for three persons.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

March 5, 1980

The Honorable Arliss Sturgulewski
Chairman
Senate Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

RE: FISCAL NOTE ON SB 292am AND SB 309 COMBINED

This letter is in response to your inquiry about the fiscal impact upon our department if SB 309 and SB 292am were combined and passed into law. The fiscal note contained in this letter is based on a number of assumptions.

1. SB 292am and SB 309 would be combined and passed into law.

2. The provisions for preparation of fiscal notes on regulations, now contained in SB 292am, would be amended. The amendment would place primary responsibility on our department for preparation of fiscal notes for any regulation change by a state department when such change effects municipal finances.

3. The personal services cost is based on the addition of three staff members (a Local Government Specialist IV - Range 19, a Local Government Specialist III - Range 17 and a Clerk Typist III - Range 8) to handle the additional work.

4. Benefits are included in the personal services cost. These are figured at 28% of salary per year.

5. Travel costs are figured at $2,000 a year. Preparation of the required fiscal notes would require dealing with agencies throughout the state and phone calls would not always be adequate to resolve the issues.

6. Contractual costs are to cover long distance telephone tolls and telephone base rate for 3 persons (1.5), typewriter rental (2.7), and rent for an additional 450 sq. ft. of floor space (.7).

7. All the above costs are increased at 8% a year for inflation.

8. The one time equipment cost is for desks, office equipment, etc. for three persons.

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
EXPENDITURES (Thousands of Dollars)						
Personal Services	95.5	103.2	111.4	120.3	129.9	140.3
Travel	2.0	2.2	2.3	2.5	2.7	2.9
Contractual	4.9	5.3	5.7	6.2	6.7	7.2
Equipment	1.5	0	0	0	0	0
TOTAL	103.9	110.7	119.4	129	139.3	150.4
FUNDING (Thousands of Dollars)						
General Fund	103.9	110.7	119.4	129	139.3	150.4
POSITIONS						
Full Time	3	3	3	3	3	3

If we can be of any further service to you on this matter please contact us.

Sincerely,

lee

Lee McAnerney
Commissioner

SB
319

COMMITTEE REPORT

SENATE

FURTHER: Finance

1/16/80

Date: 1-29-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 319

relating to an exemption from municipal property taxation

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 [ ] new title

and recommends _____

[ ] 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:

_____

CHAIRMAN

S 60 (Rev. 12/78)

Tape - Side 1 Facing Out Window
is Side Recording

TAPE 1

Committee Log Book - 1979

Tape Number (1)

Side Number

Committee

Dates 1/29/80 to

All Committee Members Present: Chairman Sturgulewski
Vice Chairman Mulcahy
Senators Stevens, Kelly, Rodey

Bill Numbers Discussed

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1/29/80	65	SB 309	Sen. Hackney
	216		Palmer McCaster - Dept. C/RA
	250		Phil Wall - Dept Revenue
	311		Pamela Hubbard - HESS
	488		Deming Cowles - Environ. Conservation
"	644-696	Kodiak	Report by Dept C/RA - As Requested
1/31/80			Senator Rodey - Special Session
	692	SB 319	Senator Rodey - Special Session
	709		Jerry Gray (Ch.) - Dept C/RA
	821		Rodey to 4:00 PM
"	Tape ends	SB 324	Rodey - Use of Fish Corridor
	000-014		Mike Carter - Dept C/RA
	044		Valerie Brown " " - Fish Corridor
	115		Chairman Leaves
	292		Rodey Move do pass as Amd
	306		End

Bill Held for further work.

Start TAPE (2)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 28, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Terry Stimson
Senator Pat Rodey
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, January 31, 1980 - 1:30 p.m.

SB 319 - An Act relating to an exemption from municipal property taxation; and providing for an effective date.

SB 324 - An Act amending the formula for property tax equivalency payments for senior citizens; and providing for an effective date.

SB 324
319 } Thurs. 31st Jan.
PUB. Hrg.

AARTA - Nat'l Retired Teacher's Assoc.
AARP - American Assoc. Retired Persons.
Florence Barnhart 4-3218
Dove Kull [illegible]
Municip. Commission on Aging - Anc. 276-4334 (w 452-1735
No. Star Boro on Agg - Fbx - Jenive Reniger, Director
Sonny Plotnick - Off. on Aging (+ his suggestions)
Pioneers lodge
Fbx - Ms. Alaska Rink 456-5107
Bob Gore - Ketch. 225-6949

[illegible]

Fiscal Note for SB 319 from Dept. HESS, signed by Coordinator M.D. Plotnick stressed clarification was needed in two areas:

1. What happens in the case of a married couple? If both are 65 years of age or older, will they be entitled to exemptions on two vehicles?

ANSWER: Per Dept. of Public Safety/ Motor Vehicles: Both would receive an exemption - if married, regardless how the certificate is made out - the stipulation being they are of 65 or older...

2. What constitutes residency for purposes of this bill?

ANSWER: Per Dept. of Public Safety, Motor Vehicles: this would revert to driver's statutes - residency requirement 90 days.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 319
Title An Act Relating to Exemption from Municipal Property Taxation
Requested by Senate Community & Regional Affairs Committee Date 1-21-80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Social Services (grant) Development (Administration)
BRU, Program, or Subprogram(s) Affected Senior Citizen Property Tax Exemption
(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	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Reduces grant requirement for FY 81 from $150,000 to $120,000. There is no impact to administration.

Present law does not exempt seniors from ad valorem tax on their vehicles, just from state collected registration tax. This bill corrects the present law to exempt seniors from property tax on vehicles, statewide.

Present law pays municipalities that do not tax vehicles. This bill corrects law to only reimburse municipalities for revenue lost. This accounts for the reduced need for revenue to fund the program.

IV. DATE 1-21-80 PREPARED BY LaDonna Brown
AGENCY Local Government Assistance
PHONE 465-4739

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

33-001 (Rev. 12/79)

POSITION PAPER/Department of Health and Social Service

POSITION PAPER
Senate Bill No. 319

"An Act relating to an exemption from municipal property taxation; and providing for an effective date."

The Department of Health and Social Services supports the intent of SB 319. The bill in its current form, however, seems to need clarification on two areas:

1) What happens in the case of a married couple? If both are 65 years of age or older, will they be entitled to exemptions on two vehicles?

2) What constitutes residency for purposes of this bill?

This bill will not impact on the Department of Health and Social Services but will impact on the Department of Community and Regional Affairs.

The Department of Health and Social Services recommends that Senate Bill 319 not be passed without revisions to address the above-stated concerns.

Recommended by: _____
M. D. Plotnick, Coordinator

Date: 1/25/80

Approved by: _____
Commissioner
Department of Health and
Social Services

Date: 1/25/80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 319

Title "An Act relating to an exemption from municipal property taxation;..."

Requested by Rules Committee Date 1/15/80

II. FISCAL DETAIL

Agency Affected No impact on Department of Health and Social Services

Program Category Affected

Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

For Department of Health and Social Services

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No impact on Department of Health and Socia. Services.

IV. DATE 1/25/80 PREPARED BY for M. D. Plotnick

AGENCY Department of Health and Social Services

Original: Legislative Finance PHONE 465-4903

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Reviewed by Michael Dukes
Director, Mgt. + Budget
DHSS 1/25/80

33-001 (Rev. 10/78)

SB 314

Attached is proposed legislation for the motor vehicle exemption which the department feels is unacceptable in its present form for the following reasons:

1. The exemption should be located in Title 29 along with other prescribed property tax exemptions. Therefore, Section 3 of the proposed bill annulls the unsatisfactory section in Title 28.

2. The current law does not provide for exemption of local property tax levies on vehicles, only those levied through the state collection option are presently exempted.

Paragraph (j) of the proposed legislation provides exemption regardless of the collection procedure.

3. Three kinds of municipalities are currently being reimbursed:

Examples

Homer/Petersburg/Kotzebue — 1. Those actually exempting seniors through the state collection option; = correct Procedure

Matsu/Kenai — 2. Those that must, under the current law, collect ad valorem property tax from seniors locally; and = Double Income city & St.

Juneau — 3. Those that do not tax vehicles at all. = city St. Income

Paragraph (k) of the proposed bill allows reimbursement to municipalities only for revenue lost due to actual exemptions granted.

SB

324

COMMITTEE REPORT

SENATE

1/15/80

FURTHER: Finance

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 324 amending the formula for property tax equivalency payments for senior citizens; 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 _____ [ ] same title [ ] new title

and recommends _____

[ ] 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:

_____

CHAIRMAN

S 60 (Rev. 12/78)

SB 324

Attached is proposed legislation to increase the renter payment formula from ½% per mill to 1% per mill. The proposal also removes the dollar limit per applicant. We believe this is equitable since the homeowner exemption is virtually unlimited. If the committee wishes to impose a limit, please suggest that it be no less than $750 per year.

Per DOVE Kull - Why ABUSE life style of Sr. Citizens if they had always lived in a higher manner - by placing a ceiling for any amt. Per Dept. C/Rn Maybe a dozen at most would go over #750 - Not a big matter.

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 324
Title Amending the Formula for Property Tax Equivalency Payments for Senior Citizens
Requested by Rules Committee (Interim Committee on Services to the Elderly) Date 1-21-80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Social Services
BRU, Program, or Subprogram(s) Affected Senior Citizen Property Tax Exemption
(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.		158,000	177,000	198,000	212,000	227,000
TOTAL	0	158,000	177,000	198,000	212,000	227,000

FUNDING (Thousands of Dollars)

GENERAL FUND	0	158,000	177,000	198,000	212,000	227,000
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Assume 12% increase in program through FY 83 and 7% increase thereafter.

The bill effectively doubles payment to program beneficiaries and removes the $375 limit on each payment. Assume that grant requirement will double. No fiscal impact to administration.

In line 14, mil should be spelled mill.

IV. DATE 1-21-80 PREPARED BY LaDonna Brown
AGENCY Local Government Assistance
PHONE 465 4739

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

33-001 (Rev. 12/79)

POSITION PAPER/Department of Health and Social Services

POSITION PAPER
Senate Bill No. 324

"An Act amending the formula for property for equivalency payments for senior citizens; and providing for an effective date."

The Department of Health and Social Services supports SB 324, which would increase property tax exemption benefits to older Alaskans. This bill will not impact on the Department of Health and Social Services but will impact on the Department of Community and Regional Affairs. The Department recommends passage of Senate Bill No. 324.

Recommended by: _____
M. D. Plotnick, Coordinator

Date: 1/25/80

Approved by: _____
Commissioner
Department of Health and
Social Services

Date: 1/25/80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 324

Title "An Act Amending the Formula for Property Tax Equivalency Payments for Seniors"

Requested by Rules Committee Date 1/15/80

II. FISCAL DETAIL

Agency Affected No impact on Department of Health and Social Services

Program Category Affected

Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

For Department of Health and Social Services

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No impact on Department of Health and Social Services.

IV. DATE 1/25/80 PREPARED BY for M. D. Plotnick

AGENCY Department of Health and Social Services

PHONE 465-4903

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

Reviewed by Michael Cutone
Div. of Mgt + Budget
DHSS 1/25/80

33-001 (Rev. 10/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 28, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Terry Stimson
Senator Pat Rodey
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, January 31, 1980 - 1:30 p.m.

SB 319 - An Act relating to an exemption from municipal property taxation; and providing for an effective date.

SB 324 - An Act amending the formula for property tax equivalency payments for senior citizens; and providing for an effective date.

TAPE 1

Committee Log Book - 1979

Tape Number (1)

Side Number

Committee

Dates 1/29/80 to

All Committee Members Present: Chairman Sturgulewski
Vice Chairman Mulcahy
Senators Stevens, Kelly, Rodey

Bill Numbers Discussed

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1/29/80	15	SB 309	Sen. Hackney
	216		Fatmon Mcarthur - Dept. C/RA
	230		Phil Wall - Dept Revenue
	311		Timothy Bullard - HESS
	488		Deming Cowles - Environ. Conservation
"	644-646	SB 309	Public Hearing by Dept C&RA - As Required
1/31/80			Senate Finance Committee Meeting
	602	SB 319	Senator Rodey - Sponsor
	709		Tony Knowles - Dept. C/RA
	821		Public Hearing " " No Action
Start TAPE (2)	Meter tape	SB 324	Rodey - Sponsor of Bill
	00-014		Bill Worley - Dept C/RA
	104		Senator Rodey " " - Sponsor
	115		Witness Log
	292		Rodey Moves to Pass To Cal.
	305		End

Bill Held for further work.

SB

342

Committee Log Book - 1980

Tape Number III

Side Number 1 & 2

Dates 2-12-80 to —

Senate C/RA
Committee
Chairman A. Sturgulewski

Present: Senators: Sturgulewski, Rodey, Stimson, Kelly
Absent: Senator Mulcahy

Bill Numbers Discussed

SB 259	SB 342								

	Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
Side ①	2-12-80 1:30 P.	045	SB295	Chip Denerlein - DNR - Director St. Parks Dept.
		144		Question - Sen. Stimson
		206		" Rodey
		246		Amendment - wording
		306		Sen. Rodey "Do Pass W/ Individ. Rec." No Obj.
		377		End.
		384	SB 342	Commissioner Ernie Mueller, Envir. Conser. Dept.
		455		Keith Kelton " "
		619		Sen. Kelly
		733		Jimmy Chitwood
		780?		Mr. Mueller
Side ②		004		Sen. Kelly
		054		Sen. Rodey - Question?
		417		End - Bill Held

Note
SB 342 — Title & Body was transfer to SB 436 with 2 additions:
$10 mi For Solid Waste $6 mi for St. share increase from 50% to 75%

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 11, 1980

TO: SENATOR BOB MULCAHY
VICE-CHAIRMAN
SENATOR TIM KELLY
SENATOR TERRY STIMSON
SENATOR PAT RODEY
SENATOR BILL RAY
All interested parties

FROM: SENATOR ARLISS STURGULEWSKI
CHAIRMAN

SUBJECT: COMMITTEE MEETING - BUTROVICH RM.,#207, Capital Building

TUESDAY, FEBRUARY 12, 1980 - 1:30 p.m.

SB 259 - AN ACT RELATING TO HISTORICAL DISTRICTS

SB 342 - AN ACT PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF $25,520,000 FOR THE PURPOSE OF PAYING THE COST OF CAPITAL IMPROVEMENTS FOR WATER AND SEWER SYSTEMS: AND PROVIDING FOR AN EFFECTIVE DATE

DISCUSSION - Increase in state participation, municipal sewer/water facilities.
Additional state participation in solid waste/resource recovery systems.

Introduced: 1/18/80
Referred: Health, Education & Social Services and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 342

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of $25,520,000 for the purpose of paying the cost of capital improvements for water and sewer systems; and providing for an effective date."

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

* Section 1. For the purpose of paying the cost of capital improvements for water and sewer systems, general obligation bonds of the state in the principal amount of not more than $25,520,000 shall be issued and sold. The full faith, credit and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1980 Water Supply and Sewerage Systems Fund" shall be established, to which shall be credited the proceeds of the sale of bonds described in sec. 1 of this Act except for accrued interest and premiums. There is appropriated from the "1980 Water Supply and Sewerage Systems Fund" to the Department of Environmental Conservation the amount of $25,520,000, allocated in accordance with the following projects and estimates:

	Project	Location	Amount
(1)	Village safe water construction grants	Statewide	$ 2,520,000

(2) Urban water and sewer construction grants — Statewide — 23,000,000

* Sec. 3. If the issuance of these bonds is authorized by the qualified voters of the state, the amount of $89,400, or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed from the proceeds of the sale of bonds authorized by this Act.

* Sec. 5. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next general election and shall read substantially as follows:

Proposition

State General Obligation Water Supply and Sewerage Systems Bonds $25,520,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $25,520,000 for the purpose of paying the cost of capital improvements for water and sewerage systems?

Bonds Yes [ ]

Bonds No [ ]

* Sec. 6. This Act takes effect immediately in accordance with AS 01.-10.070(c).

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

DRAFT AMENDMENTS TO AS 46.03.030: GRANTS AND LOANS
FOR WATER SUPPLY AND SEWERAGE SYSTEMS

The title of AS 46.03.030 is amended to read:

"Sec. 46.03.030. Grants [and loans] for water supply, [and] sewerage and solid waste facilities [systems].

AS 46.03.030(b) is amended to read:

(b) The department may grant to a municipality, as funds are available, up to [the lesser of] 50 per cent of [the] eligible costs [or 50 per cent of the eligible cost] not financed by the federal government, for public water supply, treatment and distribution systems and public sewage collection, treatment and discharge facilities for which construction has not commenced on or before June 21, 1976. The eligible cost of a project or portions of a project will be as determined by the federal agency granting the most monetary assistance. On projects or portions of projects, for which federal participation is not available, eligible costs will be determined by the department in accordance with (e) [(d)] of this section. Projects shall be constructed in accordance with plans and specifications approved by the department.

AS 46.03.030(c) is amended to read:

(c) There is a water supply, [and] sewerage and solid waste facilities [systems] fund created in the department to carry out the purposes of this section.

AS 46.02020(d) is deleted and replaced with a new subsection to read:

"(d) The department may grant to a municipality as funds are available, up to 50 percent of eligible costs not funded by the federal government for solid waste processing or disposal facilities, or portions of such facilities, for which construction has not commenced on or before July 1, 1980; except that grants up to 60 percent of eligible costs not funded by the federal government may be awarded for those portions of solid waste processing or disposal facilities which provide for resource recovery. The eligible cost of a solid waste processing or disposal facility will be as determined by the federal agency granting the most monetary assistance. On facilities or portions of a facility for which federal participation is not available, eligible costs will be determined by the department in accordance with (e) of this section. Projects shall be constructed in accordance with plans and specifications approved by the department.

AS 46.03.030 is amended by adding a new subsection to read:

(e) The department shall, by regulation, identify those costs which will be considered eligible costs for the purposes of this section. Eligible costs shall include those contracted costs necessary for construction of a project, but do not include costs of interest and financing, right-of-way acquisistion costs, and costs related to operation, maintenance, repair or replacement of a project.

AS 46.03.900 is amended by adding the following new definitions to read:

) "Resource recovery" means the recovery of materials or energy from solid wastes to be used in manufacturing, agriculture, heat production, power production, or other productive processes or purposes; includes the reuse of materials or products to conserve natural resources.

) "Solid waste disposal facility" means any facility for which the primary purpose is to discharge, deposit, inject, consolidate, or place solid wastes into or onto the land; including but not limited to transfer stations and sanitary landfills.

) "Solid waste processing facility" means any facility for the purpose of extracting materials, volume reduction, conversion to energy, or other separation and preparation of solid waste for reuse or disposal of solid wastes; including but not limited to incinerators, shredders, balers, and transfer stations.

Effective date: July 1, 1980

FISCAL NOTE

To be included in the bill:

"There is appropriated the sum of _____ to fund grants for solid waste processing or disposal facilities."

Resources needed for the Department to process grant applications relative to solid waste processing and disposal facilities:

Personal Services		66.7
Administrative Assistant (R-12 @ $1628/mo x 12 x 1.26)	24.6	
Environmental Engineer III (R-19 @ $2652/mo x 12 x 1.26)	40.1	
Travel		8.0
Contractual		4.5
Commodities		1.0
Equipment		2.5
TOTAL		82.7

FISCAL NOTE

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Travel		8.0
Contractual		4.5
Commodities		1.0
Equipment		2.5
TOTAL		82.7

G.O. Bonds 50-50 Basis

Monies go only to organized municipalities.
records and need.
Requested money is based from past ~~projections~~ - it is estimated only, as applications have not started to arrive. Based 2 year projection.
No priorities - Served as applications come in.

Feds share = 25 %

St. share = 12 1/2 % (Dept.)
Community share = 12 1/2%

Federal - Environmental Protection Agency - They require priorities

Issue Paper
Water and Sewer Construction Grants
December 1979

The Department, through the Facilities Construction and Operation section, administers a grant program which is directed toward providing incorporated communities with assistance in the construction of water and sewerage services. Two basic grant programs are administered: the State general obligation bond water and sewer grant program authorized by AS 46.03.030; and the federal wastewater pollution control program authorized by the Clean Water Act of 1977.

Under the State water and sewer grant program, incorporated municipalities may apply for grants to fund up to 50 percent of project costs for new water and sewerage facilities. If federal funding is involved in a project, State grants are limited to half the non-federal share of eligible project costs. Funded projects include facilities needed for community expansion as well as facilities needed to correct existing public health and environmental problems.

The Department performs the following administrative responsibilities in support of this program:

- review of grant applications
- review of project plans and specifications
- analysis of project construction and operating costs

- processing of grant offers and payment requests
- inspection of projects during construction and following completion
- preparation of project audit reports to ensure that grant funds were properly utilized by grantees.

Eligible projects are presently funded as need arises, after a review to ensure that projects are capable of meeting the need identified at an acceptable life cycle cost. The source of funding for these grants is general obligation bond funds which have been periodically authorized by the voters. Presently, approximately $18,112,626 are available for obligation t projects through this program.

Since July, 1976, $37,358,030 has been obligated to water and sewage projects throughout the state. Of this total, $14,465,180 (38.7%) was for community water supply projects; $9,450,000 (25.3%) was for sewage treatment and intercepter facilities (matching EPA funding); and $13,442,850 (36.0%) was for sewage collection facilities. These grants have supported projects in major communities in all regions of the state. The program is not heavily used by bush communities because the Public Health Service and the State Village Safe Water programs are addressing utility needs of remote areas. It is also usually difficult for small remote communities to raise the 50 percent matching requirements. In some instances, however, projects in remote areas are funded through the program in conjunction with other federal, state, or local funding sources.

The grant program for construction of sewage treatment facilities is administered under the authorization of the federal Clean Water Act of 1977. This Act mandates that community sewage treatment works achieve secondary treatment by 1983, except those communities capable of discharging effluent into marine coastal waters which receive good tidal mixing may be allowed to follow less stringent requirements. Secondary treatment is a broad term for many methods of treating sewage through the use of biological processes, and usually results in removal of 85% of the pollutants. Depending upon congressional appropriations from year to year, Alaska is allocated $16-25 million annually. These funds are then available to communities to finance 75 percent of the cost of sewage treatment and intercepter projects. The State water and sewage grant program mentioned above contributes an additional 12 1/2 percent toward such projects leaving only 12 1/2 percent to be funded locally.

The Clean Water Act assigns the Environmental Protection Agency the responsibility for this grant program. The Act also stipulates that EPA may delegate the administration of the program to the states, and makes funding available to those states which assume administration of the program. Alaska assumed responsibility for a major portion of the program in December of 1978 (one of the first states to do so) and was awarded a grant of $245,349 to cover costs of administration through June, 1980. EPA has received funding to defray State administration expenses in subsequent fiscal years.

In order to reduce the significant delays in grant processing which occurred under EPA administration, and to better ensure that projects are consistent with the unique requirements of Alaska, the Department assumed responsibility for the following administrative tasks:

- preparation of annual project priority list
- review of grant applications
- review of consultant agreements
- review and approval of plans and specifications
- review and approval of project change orders
- review and approval of O & M manuals.

Under agreement with EPA, State certification of these items will be accepted as if performed by EPA staff (subject to periodic audit). It is expected that additional administrative tasks will be delegated the state, including:

- facility plan approval
- interim and final project inspections
- eligibility determinations
- review and approval of planning documents
- preparation of necessary environmental assessments
- issuance of numerous other technical approvals required for each project.

Since 1975, grants averaging $20,000,000 a year have been awarded to 30 communities throughout the state. As with the State water and sewer grant program, mainly the larger communities have benefitted from the program. Recent modifications of the Clean Water Act present opportunities for making funding available to smaller communities for innovative, individual, or non-conventional sewage handling facilities.

Issue Papers

Water and Sewer Construction Grants

The Department of Environmental Conservation administers a grant program which provides incorporated communities with assistance in the construction of water and sewerage services. Two basic grant programs are administered: the State general obligation bond water and sewer grant program and the federal water pollution control program.

Under the State water and sewer grant program, incorporated municipalities may apply for grants to fund up to 50 percent of project costs for new water and sewerage facilities or one-half the non-Federal share of eligible costs if federal funding is involved. Funded projects include facilities needed for community growth as well as facilities needed to correct existing public health and environmental problems.

Eligible projects presently are funded as need arises. The source of funding for these grants is general obligation bond funds which have been authorized by the voters. Presently, approximately $18 million is available for obligation to projects through this program.

These grants have supported projects in major communities in all regions of the state. The program is not heavily used by bush communities because the Public Health Service and the State Village Safe Water programs are addressing utility needs of remote areas and it is usually difficult for small remote communities to raise the 50 percent matching requirements. In some instances, however, projects in remote areas are funded through the program in conjunction with other federal, state, or local funding sources.

The grant program for construction of sewage treatment facilities is administered under the authorization of the federal Clean Water Act of 1977. Depending upon congressional appropriations from year to year, Alaska is allocated $16-25 million annually. These funds are then available to communities to finance 75 percent of the cost of sewage treatment and interceptor projects. The State water and sewage grant program mentioned above contributes an additional 12 1/2 percent toward such projects leaving only 12 1/2 percent to be funded locally.

The Environmental Protection Agency is responsible for this grant program. However, EPA may delegate the administration of the program to the states, and make funding available to those states which assume administration of the program. In order to reduce the delays in grant processing which occurred under EPA administration, Alaska assumed responsibility for a major portion of the program in December of 1978 (one of the first states to do so).

Since 1975, approximately $20 million of Federal funds a year has been awarded to 30 communities throughout the State. As with the State water and sewer grant program, the larger communities have benefitted the most from the program. Recent changes to the Clean Water Act present opportunities for making funding available to smaller communities for innovative, individual, or non-conventional sewage handling facilities.

AF 46 03 030

Village Safe Water

The Village Safe Water Act calls for at least one facility for safe water and hygienic sewage disposal in each village in Alaska.

Since 1972, eleven VSW facilities have been constructed. They are in the villages of Northway, Chevak, Alakanuk, Selawik, Nulato, Koyukuk, Beaver, Pitkas Point, Kongiganank, Tanana and Council. A facility is being designed for Akiachak and will be constructed during the summer and fall of 1980.

In these eleven villages the VSW projects consist of sanitation facilities to which village residents can come to obtain water supply and sewage disposal services; with bathing and laundry services available in all except Council. No piped water-distribution or sewage collection systems are involved except for water and sewer service lines to schools.

Construction methods used so far have included: 1) competitive bid construction contracts administered by what was then the Alaska Department of Public Works, 2) competitive bid construction contracts administered by the Alaska Department of Environmental Conservation (ADEC), and 3) force account construction by the village through construction management contracts with engineering consultants.

The force account/construction management method of construction has been the most satisfactory of the three methods used. Facilities constructed that way have been built cheaper and faster than those built under competitive bid construction contracts; the quality of construction has been better; and the villages have been more intimately involved in, and satisfied with, their projects.

VSW facilities have cost from $118,000 at Council for a project begun in FY 78, to over $1,400,000 at Tanana, of which $755,000 were VSW funds. Villages served have ranged in size from 60 (Council) to over 550 (Selawik).

Experience in the VSW project has proved that financial, technical, and/or management assistance to the villages is necessary to ensure that the facilities continue to operate. ADEC provides technical and management assistance to the eleven villages. The VSW operation and maintenance support program has made it possible for all completed VSW facilities to serve the public as intended. It is instructive to note that the operation and maintenance cost per village has been decreasing in actual dollars (i.e., ignoring inflation) over the last few years.

ADEC has been working on a comprehensive planning effort intended to define the roles of State and federal agencies and other groups involved in providing rural sanitation services. The Department has sought close cooperation with the U.S. Public Health Service and the regional Native health corporations in carrying out the planning. In fact the Directors of the health corporations have served as an advisory board for the VSW program.

An early step in the planning was to inventory all village sanitation facilities. The inventory is updated annually and is widely viewed as the single most complete and dependable source of information on village sanitation.

Current plans are to investigate certain questions concerning how the VSW program should operate over the long term. Among the questions to be investigated are: 1) What services should VSW facilities provide (e.g., solid waste, piped service to individual homes, saunas)?; 2) Should there be village eligibility criteria for VSW program assistance?; 3) How should construction priorities be set?; 4) How fast should VSW facilities be built (i.e., how much construction money over what period of time)?; 5) What funding sources other than water and sewer bonds can be coordinated into VSW projects? and 6) What should the State's role be in operation and maintenance of VSW facilities, and perhaps other village sanitation facilities as well?

Authority: 46.07

LA61 0213 10.23 JA01 0035 10.23 03/31/80

TO: ALL STATE LEGISLATORS
FROM: CLAIR HARMONY, KODIAK CITY MANAGER

THE KODIAK CITY COUNCIL SUPPORTS SB 342 AS A NEEDED AND ESSENTIAL WATER, SEWER AND SOLID WASTE FACILITIES GRANT PROGRAM.

PARTICULARLY IMPORTANT IS A NEW ELEMENT OF 50 PERCENT STATE MATCH FOR SOLID WASTE FACILITIES. CURRENT PRACTICES IN MANY ALASKAN COMMUNITIES REQUIRE THAT SHOT ROCK (AN EXPENSIVE PROCESS) BE USED AS FILL MATERIAL TO COVER SOLID WASTE. ALTERNATIVE SOLUTIONS ARE COSTLY AND ASSISTANCE IS ESSENTIAL BY THE STATE. THE CITY OF KODIAK FAVORS INCREASED LEVELS OF FUNDING OVER THE 50 PERCENT FOR SOLID WASTE CONSTRUCTION GRANTS. THESE ARE SUBSTANTIAL ONE TIME EXPENDITURES.

PER JIM BALDWIN / Legal

2/8/80

O.K. to do: (Kev Hula)

SB 131's title -use (and gut rest of context)

CS /

1 - Replace with SB 342's context

2 - Plus insert change of St. share increase 75 increase (instead of 50%)

3 - Change total approp. from $25,520,000 to $35,520,000 (reflecting Solid Waste Costs)

O.K. to do: (Gov.)

SB 342 Leave as is.

CS /

1 - but change st. share increase from 50 % to 75%

2 - Change total approp. from $25,520,000 to $35,520,000 (reflecting Solid Waste Costs)

NOTE: Solid Waste Processing & Disposal cannot be incorporated in either of the above bills.

Cannot Do = Separate Bill

Constitutionality - Enabling laws vs approprations (latter have to be separate)

NOW - you can put the effective date the same on the Bond Bill and the Waste Disposal Bill - making them a package - thus both will pass, or both will die.

OR

You can leave separate, as is now.

NOTE: The G.O. Bond bill that passed, will reflect increase for waste. In event Waste Disposal bill does not pass, the appropriated extra money can be designated by the Governor for the same or similar use thereof, as he initiates the program....

SB

348

COMMITTEE REPORT

SENATE

FURTHER: Finance

1/21/80

Date: 3-2-83

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 348

establishing unorganized boroughs, amending responsibilities of state agencies for state programs and services for residents of organized and unorganized 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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] 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:

_____

CHAIRMAN

S 60 (Rev. 12/78)

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.

Committee Log Book - 1980

Tape Number XVIII

Side Number 1 & 2

Dates 3/25/80 to ---

SENATE C/RA
Committee

PRESENT: Senators Kelly, Mulcahy, Stimson and Chairman Arliss Sturgulewski

ABSENT: Sen. Rodey

Bill Numbers Discussed

SB 309	SB 370	SB 348	SB 350	SB 492					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P 3/25/80	0005	SB 309	Sen. Sturgulewski, Opened meeting, gave overview
	090	CSSB 309	Sen. Kelly moved to accept
	108		Terry Earley, Dept. C/RA
	157		Sen. Kelly moved to pass/ No objections
	175	SB 370	Sen. Kelly moved to adopt Committee Substitute
	280		Sen. Kelly stated problems with the bill
	430		Sen. Stimson comments his concerns
	463		Sen. Sturgulewski reviews members concerns
	494		G. Crouse, Dept. of Public Safety / objection
			to CS - 1st sentence needs deletion
	571	CSSB 348	Sen. Sturgulewski
	596		Sen. Mulcahy moves to bring CS before Committee
	648		Sally Rue, DPDP, testifies for
	829		Terry Earley, Dept. of C/RA testifies Fiscal Note
	873	SB CS 350	No Fiscal Note for new "CS" available yet
Side 2	008		Jay Moore, DPDP testifies for
	264		Dale Eliason
	325		Sen. Mulcahy moved to pass all 3 bills (CSSB 348, CSSB 350, CSSB 492
			Sen. Kelly praised package, but did not vote as against his philosophy

2:45 p.m. MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XVII

SENATE C/RA COMMITTEE

Committee

Side Number 1 & 2

Dates 3/19/80 to _____

WORK SESSION

Bill Numbers Discussed

SB 348	SB 350	SB 492							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/19/80 7:30 p.m.			Co-Chairman Sturgulewski
			Co-Chairman Bill Parker
			Bob Lohr, RuralCAP
			Spud Williams, Tanana Chiefs

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 9981

March 24, 1980

TO:

Senator Bob Mulcahy Vice-Chairman	Senator Jalmar Kerttula
Senator Tim Kelly	Senator Ed Dankworth
Senator Pat Rodey	Senator Bettye Fahrenkamp
Senator Terry Stimson	Senator Don Bennett
Senator Mike Colletta	Representative Terry Gardiner
Senator Brad Bradley	Representative Oral Freeman
Senator Glenn Hackney	Representative Ernie Haugen
Senator Robert Ziegler	Representative Richard Eliason

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Tuesday, March 25, 1980 - 1:30 p.m. (Butrovich Room)

SB 370 - An Act relating to fire prevention.

SB 309 - An Act requiring the preparation of a local government impact statement.

SB 348, 349, 492 - (Part of the Local Government Study Package)

Wednesday, March 26, 1980 - 1:30 p.m. (Beltz Room)

SB 348, 349, 492 - Local Government Study Package Work Session

Thursday, March 27, 1980 - 1:30 p.m. (Butrovich Room)

SB 408 - An Act making a special appropriation to the Department of Community and Regional Affairs for village gardening projects; and providing for an effective date

HJR 62 - An Act relating to the Alaska Power Authority and the incurring of revenue bond indebtedness of the APA for the Tyee Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough.

SB 389 - An Act relating to the senior citizens tax exemption.

Friday, March 28, 1980 - 1:30 p.m. (Governor's Conference Room)

HB 932 - Creating Office of Rural Development and Rural Devlopment Council
Joint C/RA meeting (teleconference)

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 18, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Wednesday, March 19, 1980 8:30 a.m. (Room 112/ House HESS Committee Room)

HB 932 - Creating Office of Rural Development and Rural Development Council
Joint Senate/House Meeting.

Wednesday, March 19, 1980 - 7:30 p.m. (Butrovich Room)

Joint C/RA meeting with members of RuralCap Citizens' Participation Conference on Joint Interim Legislative Package (HB 580-586, HB 886 and SB 348-354)

Thursday, March 20, 1980 - 1:30 p.m. (Butrovich Room)

SB 348-SB 349 - Local Government Package. Consider Committee Substitutes.

Committee Log Book - 1980

Senate C/RA

Committee

Tape Number IV

Side Number 1 & (2)

Dates 2-14-80 to —

Mbs. Present: Chairman Stuligaleuski
Senators Kelly & Stimson

" Absent: Senators Reding & Kelly

Bill Numbers Discussed

SB	SR (CS)	Gen. Electronic Mfg.						
436	131	SB 348-354						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:20 2-14-80	074	SB 436	Commissioner Mueller / Dept Env. Conservation opposed
	319	" " SSB 131	Tony Ciccone / AML
	392		Dave Clark
	635		Ken Kilton - Dept. Env. Conservation
	647	—	Earl
	676	see SB 436 pg.	John Post / Dept. Labor - opposes bill
	835		Marie Rapaglia Deputy Commissioner / Dept. CDP
Side (2)	841		Mark Sacco - Anthracite Municipality
4	020	SB 348	Tony Ciccone / AML
	2nd		Senator Kelly - Responsibility to Anthracite - New Mine Act Coal Industry Rec. Bill
			Mem. Document & Statement from Mayor Bill Lawrence Jr. re SB 436

Sen. C/RA Mtg.
1:30 PM. PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING
2-14-86

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
TAPE SCC 348 JOHN E. POST	P.O. Box 1149 Juneau	Alaska Dept of Labor Chief of Research
Gary Cleland	204 N Franklin St Juneau AK 99801	AK Municipal League
DAVE WALSH	510 L ST Suite 207 Anchorage, AK 99501	AK MUNI LEAGUE ANCHORAGE
E.W. Mueller	POUCH O	DEC

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1980

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
Soldotna, Anchorage, Fairbanks, Kodiak, Valdez

second round robin grouping:
Dillingham, Bethel, Kotzebue, and Nome

We are pleased to enclose the reports of the Local Government Interim Study by the Joint Senate and House Community and Regional Affairs Committee.

Legislation composed of seven bills was introduced jointly by the Senate and the House, Monday, January 21, 1980. Copies of the following bills may be obtained from your nearest Legislative Information Office. The complete package consists of Senate Bills 348, 349, 350, 351, 352, 353, 354; OR House Bills 580, 581, 582, 583, 584, 585, and 586.

For your additional information all the Senate bills in the package were assigned to the Senate Community and Regional Affairs Committee, with a referral to the Finance Committee. All the House bills in the package were assigned as follows: HB 580 - C/RA & Finance; HB 581 C/RA; HB 582 C/RA and Finance; HB 583 C/RA and Finance; HB 584 C/RA and Judiciary; HB 585 C/RA; and HB 586 C/RA. You might want to contact the referrals as well, after the bills leave the Community and Regional Affairs Committees. Senator John Sackett is Chairman of Senate Finance; Representtive Russ Meekins is Chairman of House Finance, and Representative Charles Parr is Chairman of Judiciary.

In the event you are unable to give your comments during the set teleconference times, please feel free to contact the Senate and House R/CA Committees at Pouch , Juneau, Alaska 99811.

4-17-79

Senate Members Present: Chairman Sturgulewski, Sen. Kelly, Sen. Stimson (late)
Sen. Rodey left 1/2 way through
" : Absent: Sen. Mulcahy
House C/RA Members all absent except Representative Margaret Branson

Committee Log Book - 1979

Tape Number 1

COMMITTEE C/RA
Committee

Side Number 1

Dates 4/17/79 to

JT SENATE/HOUSE TELECONFERENCE

Bill Numbers Discussed

UNORGANIZED BOROUGH PRESENTATIONS								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 4/17/79	000	CO-	CHAIRMAN STURGULEWSKI AND CO-CHAIRMAN PARKER
			Raymond Kent, Tanana Chief Presentation re Doyon area
			Mr. Darbyshire, Darbyshire & Assoc., re Yukon Flats area
			Typed Minutes in Fldr

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

April 11, 1979

TO: Senator Bob Mulcahy
Vice-Chirman
Senator Tim Kelly
Senator Patrick Rodey
Senator Terry Stimson
All Other Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Tuesday, April 17, 1979

1:30 p.m. Joint House and Senate C/RA Meeting with the Tanana Chief's Conference. The Tanana Chief's Conference will give a presentation on planning for area encompassed by the Doyon Regional Corporation.

7 copies

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSB 348
Title An Act relating to unorganized boroughs, establishing unorganized boroughs, . . .
Requested by Senate Community & Regional Affairs Committee Date 3-25-80

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	173.6	210.6
200	TRAVEL	5.0	68.0	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	4.0	.5	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	10.8	300.2	238.7	226.6	233.4	247.1

FUNDING (Thousands of Dollars)

GENERAL FUND	10.8	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 Typ ist 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 palce during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs became more self-sufficient.

The high travel cost during FY 81 reflects the need to administer simultaneously both drawing the boundaries for the unorganized boroughs and assisting the seven areas previously

IV. DATE 3-25-80 PREPARED BY Doug Griffin
AGENCY Community & Regional Affairs
PHONE 465-4736

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

33-001 (Rev. 12/79)

mentioned in drawing up home rule charters.

There would be no fiscal impact from section 4 of this bill until there is an appropriation to fund the borough regional planning account set up in paragraph (g). However, the Department does anticipate the following additional cost at such time as an appropriation is made.

Staff to monitor and oversee contracts.

1.	Local Government Specialist IV	Range 19	Salary	$31,824
		Fringes		8,910
	Travel 10 trips @ 600			6,000
	Equipment & Supplies (400 after FY 81)			1,000
	Total Position Cost			$47,734
2.	Local Government Specialist III	Range 17	Salary	$27,468
		Fringes		7,910
	Travel 11 trips @ 600			6,600
	Equipment & Supplies (400 after FY 81)			1,000
	Total Projected Costs for FY 81			90,493
	FY 82			96,111
	FY 83			93,000
	FY 84			100,439
	FY 85			108,475

NOTE: Projections include 8% for inflation.

The above figures are based on the assumption that the initial appropriation would be sufficient to initiate studies in the majority of the unorganized boroughs as established in H. B. 580 or S. B. 348.

SB 348

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

05 March 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, AK 99811

Dear Arliss:

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

SB 348

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)

33-001 (Rev. 12/79)

LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

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

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
PHONE 465-4736

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

33-001 (Rev. 12/79)

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

CSSB 348

"AN ACT RELATING TO UNORGANIZED BOROUGHS, ESTABLISHING UNORGANIZED BOROUGHS, ESTABLISHING A PROGRAM OF PLANNING ASSISTANCE FOR UNORGANIZED BOROUGHS, PERMITTING 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 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 Boundary Commission, of unorganized boroughs as home rule municipalities. Adoption of a home rule charter would require a majority vote both inside and outside of incorporated municipalities. 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.

CSSB 350

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

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.

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.

SB 348 and SB350 are two of the bills developed by the Joint Committee.

SB

349

Committee Log Book - 1980

SENATE J/RA

Tape Number IV

Side Number 1 (2)

Committee

Dates 2-14-80 to —

Present: Chairman Stratton, Lucas
Senators Kelly & Stimson

Absent: Senators Reading & Kelly

Bill Numbers Discussed

SB	SR (CS)	Per Diem & Mileage Reg.
436	131	SB 348-354

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 2-14-80	000	SB 436	Commissioner Smalley / Dept. Env. Conservation
	219	" " + SR 131	Jerry Ward / AML
	342		Dave Wahle
	425		Keith Kilty - Dept. Env. Conservation
	441	—	End
	676	SB 436 Fig.	John Post / Dept Law - Sewage Liens
	835		Marie Yarrabee - Mun. Assoc. - SB 436
Side (2)	841		Mitch Sears - Auburn City Manager
	020	SB 349	Jerry Ward / AML
	215		Senator Kelly - Explanation of Amend- ment - then move it be considered Inexpedient.
			Unan. Agreement to Inexpedient
			Appro. Bill (Inexpedient Bill to SB-436)

Sen. C/RA 149.
1:30PM. PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING
2-14-86

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
TAPE SSB 348 JOHN E. POST	P.O. Box 1149 Juneau	Alaska Dept of Labor Chief of Research
Gaing Chitwood	304 N Franklin St Juneau AK 99801	AK Municipal League
DAVE WALSH	510 L" ST Suite 207 Anchorage, AK 99501	AK MUNI LEAGUE ANCHORAGE
E.W. Mueller	PCUCC	DEC

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1980

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
Soldotna, Anchorage, Fairbanks, Kodiak, Valdez

second round robin grouping:
Dillingham, Bethel, Kotzebue, and Nome

We are pleased to enclose the reports of the Local Government Interim Study by the Joint Senate and House Community and Regional Affairs Committee.

Legislation composed of seven bills was introduced jointly by the Senate and the House, Monday, January 21, 1980. Copies of the following bills may be obtained from your nearest Legislative Information Office. The complete package consists of Senate Bills 348, 349, 350, 351, 352, 353, 354; OR House Bills 580, 581, 582, 583, 584, 585, and 586.

For your additional information all the Senate bills in the package were assigned to the Senate Community and Regional Affairs Committee, with a referral to the Finance Committee. All the House bills in the package were assigned as follows: HB 580 - C/RA & Finance; HB 581 C/RA; HB 582 C/RA and Finance; HB 583 C/RA and Finance; HB 584 C/RA and Judiciary; HB 585 C/RA; and HB 586 C/RA. You might want to contact the referrals as well, after the bills leave the Community and Regional Affairs Committees. Senator John Sackett is Chairman of Senate Finance; Representative Russ Meekins is Chairman of House Finance, and Representative Charles Parr is Chairman of Judiciary.

In the event you are unable to give your comments during the set teleconference times, please feel free to contact the Senate and House R/CA Committees at Pouch V, Juneau, Alaska 99811.

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/21/80

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 349

establishing a program of planning assistance for unorganized 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 [ ] new title

and recommends _____

[ ] 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:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

#7570 - Chenoweth

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 349

By THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Community and Regional Affairs Committee Interim Joint Local Government Study)

"An Act establishing a program of planning assistance for unorganized boroughs; and providing for an effective date."

Introduced in the Senate 1/21, 19 80

HISTORY IN THE SENATE

19 80 Read first time and referred to Committee on

1 21 Community & REgional Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. .....

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 "unor-anized 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.

WO 7570
Chenoweth

Original sponsor: Rules/Legislative Council

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 349

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the responsibilities of executive departments of state government for certain state programs; and providing for an effective date."

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

* Section 1. AS 44.17 is amended by adding new sections to read:

ARTICLE 2. PLANNING AND MANAGEMENT OF STATE SERVICES.

Sec. 44.17.100. PROGRAM DATA AND INFORMATION. (a) A principal department of the executive branch of state government, including a board or commission assigned to a department for administrative purposes, shall use the home rule and general law boroughs, unified municipalities, and regional educational attendance areas as the geographic units by which to collect and report data and information and process and analyze statistics about each of its programs.

(b) The information, data and statistics required to be collected and reported by this section include but are not limited to

(1) information which may be required by the division of policy development and planning in the Office of the Governor to describe the geographic distribution of the state's population, economic activities, and public services; and

(2) information about the program, including

(A) the estimated number of persons needing a service;

(B) the number of persons served by the program;

(C) the costs of the services provided by the program; and

(D) the conditions addressed or corrected by a service provided by the program.

(c) A department, board or commission may request an exemption from this section. An exemption granted under this subsection expires on June 30, 1982. The request for exemption shall be submitted to the governor, who may grant the exemption if he finds that additional expense, increased workload, or decreased efficiency in the operation of a program or development of a new program would be substantially greater than the public interest in compliance with this section. A department, board or commission requesting an exemption under this subsection shall submit to the governor a written statement

(1) naming the program for which an exemption is requested;

(2) describing the problems which would be encountered if the department, board or commission were required to conform to this section; and

(3) evaluating the effect of an exemption granted under this subsection on the collection and reporting requirements of (a) of this section for other programs administered by the department, board or commission.

* Sec. 2. AS 44.17 is amended by adding new sections to read:

Sec. 44.17.110. PROGRAM PLANNING AND MANAGEMENT. (a) A principal department of the executive branch of state government, including a board or commission assigned to a department for administrative purposes, shall use the home rule and general law boroughs, unified municipalities, and regional educational attendance areas of the state as the geographic units by which to develop and implement plans for providing services and to coordinate program planning and administration with the plans and programs of other agencies, municipalities and the federal government.

(b) A department, board or commission may combine one or more home rule boroughs, general law boroughs, unified municipalities, and regional educational attendance areas to define the geographical area within which a program is provided.

Sec. 44.17.120. REPORTING OF SERVICE COSTS. (a) A principal department of the executive branch of the government, including a board or commission assigned to a department for administrative purposes, shall provide information giving the direct cost of providing services to each municipality and regional educational attendance area used by the department under AS 44.17.110(a) for the management and administration of its programs. The information shall be available to

(1) the division of budget and management in the Office of the Governor, for its use in making recommendations for the program budget of a department, board or commission;

(2) the legislature, for its use in consideration of the state budget and other legislation relating to state services; and

(3) the public, upon request to the department, board or commission.

(b) In this section, "direct cost" means a cost which is related to providing a service, exclusive of general administrative and support costs.

Sec. 44.17.130. EXEMPTION. The provisions of AS 44.17.110 - 44.17.120 do not apply to

(1) a program of an executive department, board or commission which provides only professional or technical support services for another state department, board or commission, as determined by the governor; and

(2) a program for which exemption is specifically requested by the department, board or commission, and granted by the governor

because

(A) the program concerns the conservation or development of a natural resource; and

(B) the application of AS 44.17.110 - 44.17.120 would cause a substantial impediment to the performance of duties by the department, board, or commission.

Sec. 44.17.140. DEFINITION. In AS 44.17.100 - 44.17.140, "regional educational attendance area" means a subdivision of the part of the state not within an organized borough as determined by the commissioner of community and regional affairs under AS 14.08.031.

* Sec. 3. AS 44.17 is amended by adding new sections to read:

ARTICLE 2. PLANNING AND MANAGEMENT OF STATE SERVICES.

Sec. 44.17.100. PROGRAM DATA AND INFORMATION. (a) A principal department of the executive branch of state government, including a board or commission assigned to a department for administrative purposes, shall use the home rule and general law boroughs, unified municipalities, and unorganized boroughs as the geographic units by which to collect and report data and information and process and analyze statistics about each of its programs.

(b) The information, data and statistics required to be collected and reported by this section include but are not limited to

(1) information which may be required by the division of policy development and planning in the Office of the Governor to describe the geographic distribution of the state's population, economic activities, and public services; and

(2) information about the program, including

(A) the estimated number of persons needing a service;

(B) the number of persons served by the program;

(C) the costs of the services provided by the program;

and

(D) the conditions addressed or corrected by a service provided by the program.

(c) A department, board or commission may request an exemption from this section. An exemption granted under this subsection expires on June 30, 1982. The request for exemption shall be submitted to the governor, who may grant the exemption if he finds that additional expense, increased workload, or decreased efficiency in the operation of a program or development of a new program would be substantially greater than the public interest in compliance with this section. A department, board or commission requesting an exemption under this subsection shall submit to the governor a written statement

(1) naming the program for which an exemption is requested;

(2) describing the problems which would be encountered if the department, board or commission were required to conform to this section; and

(3) evaluating the effect of an exemption granted under this subsection on the collection and reporting requirements of (a) of this section for other programs administered by the department, board or commission.

* Sec. 4. AS 44.17 is amended by adding new sections to read:

Sec. 44.17.110. PROGRAM PLANNING AND MANAGEMENT. (a) A principal department of the executive branch of state government, including a board or commission assigned to a department for administrative purposes, shall use the home rule and general law boroughs, unified municipalities, and unorganized boroughs of the state as the geographic units by which to develop and implement plans for providing services and to coordinate program planning and administration with the plans and programs of other agencies, municipalities and the federal government.

(b) A department, board or commission may combine one or more home rule boroughs, general law boroughs, unified municipalities, and unorganized boroughs to define the geographical area within which a program is provided.

Sec. 44.17.120. REPORTING OF SERVICE COSTS. (a) A principal department of the executive branch of the government, including a board or commission assigned to a department for administrative purposes, shall provide information giving the direct cost of providing services to each municipality and unorganized borough used by the department under AS 44.17.110(a) for the management and administration of its programs. The information shall be available to

(1) the division of budget and management in the Office of the Governor, for its use in making recommendations for the program budget of a department, board or commission;

(2) the legislature, for its use in consideration of the state budget and other legislation relating to state services; and

(3) the public, upon request to the department, board or commission.

(b) In this section, "direct cost" means a cost which is related to providing a service, exclusive of general administrative and support costs.

Sec. 44.17.130. EXEMPTION. The provisions of AS 44.17.110 - 44.17.120 do not apply to

(1) a program of an executive department, board or commission which provides only professional or technical support services for another state department, board or commission, as determined by the governor; and

(2) a program for which exemption is specifically requested by the department, board or commission, and granted by the governor

because

(A) the program concerns the conservation or development of a natural resource; and

(B) the application of AS 44.17.110 - 44.17.120 would cause a substantial impediment to the performance of duties by the department, board, or commission.

Sec. 44.17.140. DEFINITION. In AS 44.17.100 - 44.17.140, "unorganized borough" means a subdivision of the part of the state not within an organized borough as determined by the commissioner of community and regional affairs under AS 29.03.011 - 29.03.021.

* Sec. 5. RESPONSIBILITIES OF THE DIVISION OF POLICY DEVELOPMENT AND PLANNING. The division of policy development and planning in the Office of the Governor shall

(1) by December 31, 1980, evaluate the cost and suitability of data and information reference systems and recommend the use of a system by the principal departments of the executive branch of the state government, including boards and commissions assigned to those departments for administrative purposes; the data and information system recommended by the division shall

(A) permit cross-referencing of data and information by the executive departments, boards and commissions; and

(B) classify data and information on the basis of the geographic units used by a department, board or commission for program management and cost reporting under AS 44.17.110 - 44.17.120.

(2) report to the legislature by July 1, 1983, alternatives and recommendations for improving coordination of programs which provide direct services to people, which are not exempt under AS 44.17.130.

* Sec. 6. Sections 3 and 4 of this Act take effect and secs. 1 and 2 of this Act are repealed only if a version of an Act entitled "An Act relating

to unorganized boroughs, establishing unorganized boroughs, amending the responsibilities of executive departments for state programs and services for residents of organized and 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; and providing for an effective date", becomes law.

* Sec. 7. Sections 1 and 3 of this Act take effect July 1, 1981.

* Sec. 8. Sections 2 and 4 of this Act take effect July 1, 1982.

* Sec. 9. Sections 5 and 6 of this Act take effect immediately in accordance with AS 01.10.070(c).

I. REQUEST

Bill/Resolution No. H. B. 582 and S. B. 349

Title An Act Providing Planning Assistance for Unorganized Boroughs

Requested by House Community & Regional Affairs Committee Date 1-18-80

II. FISCAL DETAIL

Agency Affected

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	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

There would be no fiscal impact from this bill until there is a appropriation as indicated in section (e)(2)(B) of this bill. However, the Department does anticipate the following additional cost at such time as appropriations are made.

Staff to monitor and oversee contracts.

1. Local Government Specialist I:	Range 19	Salary	31,824
		Fringes	8,910
Travel 10 trips @ 600			6,000
Equipment & Supplies (400 after FY 81)			1,000
Total Position Cost			47,734
[illegible] Local Government Specialist III	Range 17	Salary	27,465
			7.91

IV. DATE 1-18-80 PREPARED BY Terry Earl[illegible]

AGENCY Department of Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

SB
350

COMMITTEE REPORT

SENATE

1/21/30

FURTHER: Finance

Date: [illegible]

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 350

responsibilities of the division of policy development and planning, Office of the Governor

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)

[ ] same title

[X] replace with CS for _____ [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[illegible]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[illegible]

_____
CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XVIII

Side Number 1 & 2

Dates 3/25/80 to ---

SENATE C/RA
Committee

PRESENT: Senators Kelly, Mulcahy, Stimson and Chairman Arliss Sturgulewski

ABSENT: Sen. Rodey

Bill Numbers Discussed

SB 309	SB 370	SB 348	SB 350	SB 492					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P 3/25/80	0005	SB 309	Sen. Sturgulewski, Opened meeting, gave overview
	090	CSSB 309	Sen. Kelly moved to accept
	108		Terry Earley, Dept. C/RA
	157		Sen. Kelly moved to pass/ No objections
	175	SB 370	Sen. Kelly moved to adopt Committee Substitute
	280		Sen. Kelly stated problems with the bill
	430		Sen. Stimson comments his concerns
	463		Sen. Sturgulewski reviews members concerns
	494		G. Crouse, Dept. of Public Safety / objection
			to CS - 1st sentence needs deletion
	571	CSSB 348	Sen. Sturgulewski
	596		Sen. Mulcahy moves to bring CS before Committee
	648		Sally Rue, DPDP, testifies for
	829		Terry Earley, Dept. of C/RA testifies Fiscal Note
	873	SB CS 350	No Fiscal Note for new "CS" available yet
Side 2	008		Jay Moore, DPDP testifies for
	264		Dale Eliason
	325		Sen. Mulcahy moved to pass all 3 bills (CSSB 348, CSSB 350, CSSB 492)
			Sen. Kelly praised package, but did not vote as against his philosophy

2:45 p.m. MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XVII

SENATE C/RA COMMITTEE

Committee

Side Number 1 & 2

Dates 3/19/80 to _____

WORK SESSION

Bill Numbers Discussed

SB 348	SB 350	SB 492							

Date & Time	Tape Meter Numb r	Bill	Significant Information (Witness, Action)
3/19/80 7:30 p.m.			Co-Chairman Sturgulewski
			Co-Chairman Bill Parker
			Bob Lohr, RuralCAP
			Spud Williams, Tanana Chiefs

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

TO:

Senator Bob Mulcahy Vice-Chairman	Senator Jalmar Kerttula
Senator Tim Kelly	Senator Ed Dankworth
Senator Pat Rodey	Senator Bettye Fahrenkamp
Senator Terry Stimson	Senator Don Bennett
Senator Mike Colletta	Representative Terry Gardiner
Senator Brad Bradley	Representative Oral Freeman
Senator Glenn Hackney	Representative Ernie Haugen
Senator Robert Ziegler	Representative Richard Eliason

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Tuesday, March 25, 1980 - 1:30 p.m. (Butrovich Room)

SB 370 - An Act relating to fire prevention.

SB 309 - An Act requiring the preparation of a local government impact statement.

SB 348, 349, 492 - (Part of the Local Government Study Package)

Wednesday, March 26, 1980 - 1:30 p.m. (Beltz Room)

SB 348, 349, 492 - Local Government Study Package Work Session

Thursday, March 27, 1980 - 1:30 p.m. (Butrovich Room)

SB 408 - An Act making a special appropriation to the Department of Community and Regional Affairs for village gardening projects; and providing for an effective date

HJR 62 - An Act relating to the Alaska Power Authority and the incurring of revenue bond indebtedness of the APA for the Tyee Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough.

SB 389 - An Act relating to the senior citizens tax exemption.

Friday, March 28, 1980 - 1:30 p.m. (Governor's Conference Room)

HB 932 - Creating Office of Rural Development and Rural Devlopment Council Joint C/RA meeting (teleconference)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 18, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Wednesday, March 19, 1980 8:30 a.m. (Room 112/ House HESS Committee Room)

HB 932 - Creating Office of Rural Development and Rural Development Council
Joint Senate/House Meeting.

Wednesday, March 19, 1980 - 7:30 p.m. (Butrovich Room)

Joint C/RA meeting with members of RuralCap Citizens' Participation Conference on Joint Interim Legislative Package (HB 580-586, HB 886 and SB 348-354)

Thursday, March 20, 1980 - 1:30 p.m. (Butrovich Room)

SB 348-SB 349 - Local Government Package. Consider Committee Substitutes.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1980

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
Soldotna, Anchorage, Fairbanks, Kodiak, Valdez

second round robin grouping:
Dillingham, Bethel, Kotzebue, and Nome

We are pleased to enclose the reports of the Local Government Interim Study by the Joint Senate and House Community and Regional Affairs Committee.

Legislation composed of seven bills was introduced jointly by the Senate and the House, Monday, January 21, 1980. Copies of the following bills may be obtained from your nearest Legislative Information Office. The complete package consists of Senate Bills 348, 349, 350, 351, 352, 353, 354; OR House Bills 580, 581, 582, 583, 584, 585, and 586.

For your additional information all the Senate bills in the package were assigned to the Senate Community and Regional Affairs Committee, with a referral to the Finance Committee. All the House bills in the package were assigned as follows: HB 580 - C/RA & Finance; HB 581 C/RA; HB 582 C/RA and Finance; HB 583 C/RA and Finance; HB 584 C/RA and Judiciary; HB 585 C/RA; and HB 586 C/RA. You might want to contact the referrals as well, after the bills leave the Community and Regional Affairs Committees. Senator John Sackett is Chairman of Senate Finance; Representtive Russ Meekins is Chairman of House Finance, and Representative Charles Parr is Chairman of Judiciary.

In the event you are unable to give your comments during the set teleconference times, please feel free to contact the Senate and House R/CA Committees at Pouch V, Juneau, Alaska 99811.

3-26-80 SB 348

DPDP did not get back with F.N. IN time before Committee Mtg. They are still working on it.

T

This bill passed out of our Sen. C/RM 3-25-80

CSSB ~~349~~

This bill addres es 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 ser ice 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.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 350/HB 581

Title "...relating to the responsibility of the Div. of Policy Development and Planning.."

Requested by Legislative Council (for CRA Committee) Date 1/21/80

II. FISCAL DETAIL

Agency Affected Division of Policy Development and Planning

Program Category Affected Executive Operations

BRU, Program, or Subprogram(s) Affected Policy Development and Planning

(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) *(see note, below)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES	x	x				
200	TRAVEL	x	x				
300	CONTRACTUAL	x	x				
400	COMMODITIES	x	x				
500	EQUIPMENT	x	x				
600	LAND & STRUCTURES	x	x				
700	GRANTS, CLAIMS, ETC.	x	x				
	TOTAL						

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	x	x				
PART TIME	x	x				
TEMPORARY	x	x				

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

* DPDP has requested in its FY 81 budget, two positions which would have, as a part of their responsibilities, the development of a common geo-coding system for state agencies and the development and implementation of a process for reviewing state service delivery locations. Evaluation of agency service delivery conformity with district boundaries and evaluation of boundary variance requests (a change in wording of the bill is suggested) would fall within the purview of the latter responsibility. These were tasks independently identified during the formulation if DPDP budget and the increases have been shown only once, in the Division budget.

IV. DATE 1/23/80 PREPARED BY Jay H. Moor

AGENCY DPDP

PHONE 465-3573

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

33-001 (Rev. 12/78)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV	DISAPP
1	Policy and Program Manager I			20 A	X	Juneau			
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 2	FORM 12 PAGE/LINE: 1 4	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		28,932	
5	BENEFITS		4,239	
6	FICA		1,924	
7	HEALTH INS.		1,272	
8	TOTAL PERSONAL SERVICES			36,367
9	TRAVEL			3,220
10	CONTRACTUAL			300
11	COMMODITIES			500
12	EQUIPMENT			910
13	OTHER			00
14	TOTAL COST			41,297

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	41,297
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

There is growing concern that the increasing number of data collection and processing systems in state government are developing in such a way as to exclude possible users in favor of only catering to specific, narrow agency needs. This position will serve as a coordinator for these agency efforts in order to ensure the efficient development and utilization of these data systems.

AGENCY Office of the Governor PROGRAM AREA Executive Operations

BRU Policy Development and Planning

COMPONENT Same

FY 81

13 REQUEST FOR NEW POSITION.

Page 1 of 3

REVISED DATE _____

000175

02-1013 (Rev. 7/79)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION		APPROV	DISAPP
1	Management Analyst III			18 A	X	Juneau	GOV	✓	
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 3	FORM 12	PAGE/LINE: 1 7	LEG		

3	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		24,984	
5	BENEFITS		3,660	
6	FICA		1,661	
7	HEALTH INS.		1,272	
8	TOTAL PERSONAL SERVICES			31,577
9	TRAVEL			4,466
10	CONTRACTUAL			300
11	COMMODITIES			500
12	EQUIPMENT			910
13	OTHER			00
14	TOTAL COST			37,753

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	37,753
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR O&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

As required by statute, this position will allow the division to develop and implement a process for reviewing all proposals for rhe location of capital improvements by any state agency. This process will insure that applicable state policies are considered in planning for capital facilities and that interested agencies and the public are consulted prior to the locational decision.

AGENCY Office of the Governor PROGRAM AREA Executive Operations

BRU Policy Development and Planning

COMPONENT _____

13 REQUEST FOR NEW POSITION.

FY 81

REVISED DATE _____

000176

02-1013 (Rev. 7/79)

STATE
of ALASKA

MEMORANDUM

TO: John Halterman, Acting Director
Division of Policy Development
and Planning

DATE: January 25, 1980

FILE NO:

TELEPHONE NO:

FROM: Jay Mopr

SUBJECT: SB 350/HB 581 "...relating to the responsibilities of the Division of Policy Development and Planning

This requires DPDP to produce a report on the subject of agencies' conformity with program requirements of another bill. That bill (I don't have the number) establishes districts throughout Alaska and requires agencies to collect data, develop program planning, coordinate planning and agency activities with other agencies, and provide information on the basis of the districts. The districts are to coincide with the REAA boundaries except where individual commissioners have determined that other boundaries would be more applicable to program requirements and have requested a variance from the Legislative Council.

In reporting on conformity with these provisions, DPDP is to make recommendations which require legislation and, apparently, which relate to the development and implementation of a master geographical coding system. It is not clear from the grammar of these bills that the coding system is to be anything more than a way to report on the coordination of delivery of state services by districts.

The bill should be written to separate the coding system from the conformity issue, since basic coordination among agencies by district will come largely from adherence to a commonly adopted coding system. That system, by itself will help to insure conformity and may necessarily precede conformity.

Although DPDP may undertake evaluations of programs involving more than one agency (AS 44.19), we would not be able to do the conformance evaluation without addition of one full-time position requested in our budget as a Range 18A. The person filling that position should be prepared to do continuing analysis of program district boundaries and service delivery patterns. The bill referred to in SB 350 allows agencies to determine unilaterally the need for boundary variances, submitting requests for variance to the Legislative Council. Such variances are clearly of interagency importance; especially so since the Governor's policy to develop efficient and effective service delivery suggests that space sharing and co-delivery of services may be, overall, more effective than when each agency attempts to minimize its own costs without regard for other agencies. DPDP should commence the design and implementation of a master geocoding system--not just the evaluation of how to do .

The only other reservation I have about the bill is that it refers to a set of pre-determined service delivery boundaries, deviation from which must be justified. This may be a good strategy where programs stand by themselves, but as mentioned above where some programs gain in effectiveness by association with others, there is no guarantee that the synergies of program delivery will be looked at. We had originally proposed that those synergies by investigated and district boundaries be determined on the basis of program clientele needs and other commonalities among programs.

I would add to the current version only the safeguard that someone be assigned the authority for insuring participation and coordination among agencies in evaluating any one agency's request for variance. To do this, someone must develop a comprehensive inventory of service delivery needs and a location model that will compute the economic and social tradeoffs of any agency's proposal for variance from established service delivery boundaries. The position we have requested would do this.

I recommend the language and grammar of the bill be edited to include the points noted above: a) DPDP will report on agencies' conformity in delivering services by district and in collecting data by district; b) DPDP will develop and implement a master geographical coding system for data collection and service delivery, and c) DPDP will have the authority to coordinate among agencies in determining the impacts of boundary variance requests.

cc: Sally Rue

CSSB 348

"AN ACT RELATING TO UNORGANIZED BOROUGHS, ESTABLISHING UNORGANIZED BOROUGHS, ESTABLISHING A PROGRAM OF PLANNING ASSISTANCE FOR UNORGANIZED BOROUGHS, PERMITTING 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 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 Boundary Commission, of unorganized boroughs as home rule municipalities. Adoption of a home rule charter would require a majority vote both inside and outside of incorporated municipalities. 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.

CSSB 350

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

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.

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.

SB 348 and SB350 are two of the bills developed by the Joint Committee.

SB
351

COMMITTEE REPORT

SENATE

1/21/80

FURTHER: Finance

Date: 4-8-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 351

state aid to local governments

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)

[X] replace with CS for _____ [X] same title [ ] new title

and recommends _____

[ ] 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:

Ken Kall - Do not pass as amended

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXII

SENATE C/RA
Committee

Side Number 1

Dates 4/8/80 to --

Present: Senators Kelly, Mulcahy, Rodey, Stimson & Chairman Sturgulewski

Bill Numbers Discussed

SB 351	SB 546								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/8/80 1:30 p	000	SB 351	Chairman Sturgulewski - Summary / Proposed "CS"
	117		Palmer McCarter, Dept. C/RA, "CS" favors
	128		Sen. Rodey moved "do pass"
			Sen. Kelly objected
	156	SB 546	Chairman Sturgulewski
	184		Margo Waring, AA to Senator Sturgulewski
	227		Sen. Kelly - objected to sq. miles useage in formula
	271		Sen. Rodey, also has same concern
	435		No action taken.... Meeting Adjourned

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

Official Business

March 31, 1980

TO: Senator Bob Mulcahy, Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Mike Colletta
Senator Don Bennett
Senator Brad Bradley
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Frank Ferguson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building, Butrovich Room

Tuesday, April 1, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention

SB 389 - An Act relating to the senior citizens tax exemption

SB 510 - An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date

SB 451 - An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils

SB 452 - An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date.

SB 351 - An Act relating to state aid to local governments; and providing for an effective date

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1980

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
Soldotna, Anchorage, Fairbanks, Kodiak, Valdez

second round robin grouping:
Dillingham, Bethel, Kotzebue, and Nome

We are pleased to enclose the reports of the Local Government Interim Study by the Joint Senate and House Community and Regional Affairs Committee.

Legislation composed of seven bills was introduced jointly by the Senate and the House, Monday, January 21, 1980. Copies of the following bills may be obtained from your nearest Legislative Information Office. The complete package consists of Senate Bills 348, 349, 350, 351, 352, 353, 354; OR House Bills 580, 581, 582, 583, 584, 585, and 586.

For your additional information all the Senate bills in the package were assigned to the Senate Community and Regional Affairs Committee, with a referral to the Finance Committee. All the House bills in the package were assigned as follows: HB 580 - C/RA & Finance; HB 581 C/RA; HB 582 C/RA and Finance; HB 583 C/RA and Finance; HB 584 C/RA and Judiciary; HB 585 C/RA; and HB 586 C/RA. You might want to contact the referrals as well, after the bills leave the Community and Regional Affairs Committees. Senator John Sackett is Chairman of Senate Finance; Representtive Russ Meekins is Chairman of House Finance, and Representative Charles Parr is Chairman of Judiciary.

In the event you are unable to give your comments during the set teleconference times, please feel free to contact the Senate and House R/CA Committees at Pouch V, Juneau, Alaska 99811.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H. B. 583 and S. B. 351
Title An Act Relating to State Aid to Local Governments; and Providing for an Effective
Requested by House Community & Regional Affairs Committee Date 1-18-80 Date

II. FISCAL DETAIL
Agency Affected 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	4,760.0	4,883.0	4,883.0	4,883.0	4,883.0
TOTAL	0	4,760.0	4,883.0	4,883.0	4,883.0	4,883.0

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assuming all municipalities are eligible plus the anticipated incorporation of three municipalities, for FY 81 and four for FY 82

FY 81 FY 82

see attached

IV. DATE 1-18-80 PREPARED BY Netta Craig
AGENCY Community & Regional Affairs
PHONE 465-4733

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

33-001 (Rev. 12/79)

FY 81

154 municipalities

x 25,000 additional entitlement

3,850,000

x 23.63% average of COLA's

909,755

3,850,000

4,759,755 FY 81 additional funding

FY 82

158 municipalities

x 25,000 additional entitlement

3,950,000

x 23.63% average COLA's assuming no changes

933,385

3,950,000

4,883,385 FY 82 additional funding

FY 83 through FY 84 is anticipated to remain at the same level

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 583
Title An Act relating to State Aid to Local Governments
Requested by C&RA Committee Date 4-4-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected 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.		1893.1	1893.1	1893.1	1893.1	1893.1
TOTAL		1393.1	1893.1	1893.1	1893.1	1893.1

FUNDING (Thousands of Dollars)

GENERAL FUND		1893.1	1893.1	1893.1	1893.1	1893.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Under the FY 1980 program 74 municipalities received less than $25,000. It is assumed that all other municipalities eligible for the program will also apply in FY 1981, which is an additional 18 applicants, for a total of 92 municipalities eligible for the minimum grant entitlement of $25,000.

Minimum Entitlement	$ 25,000
Average COLA	x 123.65%
Total Minimum Entitlement	$ 30,912
Eligible Applicants	x 92
	$2,843,904
Already Funded in FY 81 Budget	- 950,820
Additional Funding Required for FY 81 Budget	$1,893,084

IV. DATE 4-4-80 PREPARED BY Netta Crago
AGENCY Community & Regional Affairs
PHONE 465-4733

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

33-001 (Rev. 12/79)

FY 81

154 municipalities

x 25,000 additional entitlement

3,850,000

x 23.63% average of COLA's

909,755

3,850,000

4,759,755 FY 81 additional funding

FY 82

158 municipalities

x 25,000 additional entitlement

3,950,000

x 23.63% average COLA's assuming no changes

933,385

3,950,000

4,883,385 FY 82 additional funding

FY 83 through FY 84 is anticipated to remain at the same level

Quote to +

A.V.C.P. EMPLOYMENT & TRAINING
P.O. BOX 848
BETHEL, ALASKA 99559
Phone: 543-3243

File w/ SB 351

March 11, 1980

Senator Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I would like to thank you on behalf of A.V.C.P., Employment & Training and the City Administrators from the A.V.C.P. Region.

We are sincerely appreciative of your time, guidance and personal assistance which you provided. We are especially appreciative of your awareness and sensitivity to rural problems, although you represent the Anchorage Metropolitan area and areas.

Thank you.

Respectfully,

Theresa Peoples

Theresa Peoples
Local Government Training
Coordinator

cc: John Angaiak
Director

Alice Beans
Assistant Trainer

Gemma Akerelrea
City Administrator
Scammon Bay, Alaska

Alice Fitka
City Administrator
Marshall, Alaska

Joshua Cleveland
City Administrator
Quinhagak, Alaska

Sam George
City Administrator
Akiachak, Alaska

TP/rmj

CITY OF HOUSTON, ALASKA
INCORPORATED - JUNE 6, 1966

David H. Murr, Mayor

February 22, 1980

Senator Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

RE. SB 351

Dear Senator:

We urge you to retain the wording "additional $25,000" in relation to the eligibility for revenue sharing.

We take this position because, as you undoubtedly know, the cities are operating on a road budget based on a 1971 economy. We have consistently spent much more than the required 20%, but still find ourselves with difficult maintenance problems because we can not afford to do the work properly.

Similarly, we find that our snow plowing budget is usually inadequate, because of revenue sharing limitations.

If the additional $25,000 were given, we believe that that would go a long way in covering administrative costs, thereby relieving a higher proportion of road money to be spent on roads.

Similarly, we are operating a fire department on $3,300 per year, based on a census of 440, but we have 22 sq. miles within our city limits. The $3,300 hardly buys gas and oil, much less much needed safety equipment.

We are located in Senator Kerttula's district and he is well aware of our problems also.

We also support the Muncipal League request for additional funding for the cities. We do have a Business License fee, but thus far, it only averages $325 per year revenue.

We appreciate your efforts on our behalf.

Sincerely,

David H. Murr, Mayor

cc: Senator Jalmar Kerttula

S.R. BOX 2727 • VIA WASILLA, ALASKA 99687 • 892-6869

CITY OF HOONAH

P. O. BOX 360
HOONAH, ALASKA 99829
(907) 945-3222

Established 1946

February 22, 1980

Senator John C. Sackett
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

I am Writing this letter on behalve of the City of Hoonah regarding SB 351.

Due to high fuel and electrical cost small cities such as Hoonah faces near bankruptcy in the future if we do not receive some sort of aid soon. Senate Bill 351 would be a means of helping release the financial burdens faced by rural communities.

We are supportive of SB 351 and urge its passage as soon as possible. Thanking you in advance.

Respectfully

Miles Murphy
Mayor City of Hoonah

cc:
Senator Don Bennett
Senator W. E."Brad" Bradley
Senator Mike Colletta
Senator M. E. Dankworth
Senator Bettye Fahrenkamp
Senator Frank R. Ferguson
Senator Glenn Hackney
Senator George H. Hohman
Senator Tim Kelly
Senator Jalmar M. Kerttula
Senator H. D. "Pete" Meland
Senator Bob Mulcahy
Senator Bill Ray
Senator Patrick Rodey
Senator Terry Stimson
Senator Arliss Sturgulewski
Senator Bill Sumner
Senator Clem Tillion
Senator Robert H. Ziegler Sr.
Representative Jim Duncan
Representative Richard I. Eliason
Representative Oral Freeman
Representative Terry Gardiner
Representative E. J. Haugen
Representative Mike Miller

City Of Quinhagak
General Delivery
Quinhagak, Alaska 99655
Febuary 19, 198^

Senator George Hohman
Juneau, Alaska 99801

RE: Senate Bill 351

Dear Senator Hohman,

The City of Quinhagak is pleased to recieve and read Senate Bill 351 by Rules Committee for Community And Regional Affairs.

Cities in rural areas increasingly become aware of the concerns of the need for financial assistance from State Government, in order to function properly as local Government.

As any other governments finance is the key for successful and effeicent operation of the city and its personnel and other city services. Without personnel and other needed local government services, cities never function properly.

The city is therefore requesting your needed assistance in support of this Bill (Senate Bill 351), city also is requesting your office to encourage passage of any bill designed to generate additional revenues to rural cities.

We are requesting copies of any correspondence from your office for the cities files, your assistance is greatly appreciated in this important matter.

Untill than,
Sincerely,

Sam Cleveland, Mayor
City of Quinhagak

CC. File

SB351

RESOLUTION NO 12 February 11 1980

CITY OF FORTUNA LEDGE
FORTUNA LEDGE, ALASKA 99585

WHEREAS, the city revenue sharing is limited to per capita and expeniditures; and

Whereas, the City has to raise some monies from other source such as bingos, bake sales to lease space and donations; and

WHEREAS, the Grant will provide the village with better financial status than State Revenue Sharing.

WHEREAS, the village of Forture Ledge have been getting State Revenue Sharing that does not meet village financial needs.

NOW THEREFORE, be it resolved that the grant will liquidate city expenditures; and

FURTHER MORE, be it resolved that the grant will provide sound revenue for the city of Marshall.

NOW THEREFORE, be it resolved that the Revenue Sharing be formulated to a Grant of a minimum of $25,000.

SIGNED BY,

CITY COUNCILS

John Oney, Mayor
Lucie Andrew Sr.
Ruth Oney - Secretary
Paul Boots - Member
Johnny Boots - Member

THE LEGISLATURE OF THE [illegible]
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 583
Title An Act relating to State Aid to Local Governments
Requested by CoRA Committee Date 4-4-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected 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.		1893.1	1893.1	1893.1	1893.1	1893.1
TOTAL		1893.1	1893.1	1893.1	1893.1	1893.1

FUNDING (Thousands of Dollars)

GENERAL FUND		1893.1	1893.1	1893.1	1893.1	1893.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Under the FY 1980 program 74 municipalities received less than $25,000. It is assumed that all other municipalities eligible for the program will also apply in FY 1981, which is an additional 18 applicants, for a total of 92 municipalities eligible for the minimum grant entitlement of $25,000.

Minimum Entitlement	$ 25,000
Average COLA	x 123.65%
Total Minimum Entitlement	$ 30,912
Eligible Applicants	x 92
	$2,843,904
Already Funded in FY 81 Budget	- 950,820
Additional Funding Required for FY 81 Budget	$1,893,084

IV. DATE 4-4-80 PREPARED BY Netta Crago
AGENCY Community & Regional Affairs
PHONE 465-4733

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

33-001 (Rev. 12/79)

SENS STEVENS
FERGUSON

RESOLUTION #80-05
Deering City Council
Deering, Alaska 99736

Tribal

SB351
91

A RESOLUTION OF THE DEERING CITY COUNCIL SUPPORTING THE SENATE COMMUNITY AND REGIONAL AFFAIR COMMITTEE SENATE BILL 351

WHEREAS, the Deering City Council is the governing body of the City of Deering, Alaska; and

WHEREAS, it is the responsibility of the Deering City Council to provide municipal services to the citizens of Deering, Alaska; and

WHEREAS, the population of the City of Deering, Alaska is not large enough to provide a sufficient tax base to provide adequate municipal services; and

WHEREAS, the Deering City Council is dependent on State and/or Federal Agencies for funds to provide these services; and;

WHEREAS, Senate Bill 351 proposed by the Senate Community and Regional Affairs Committee would make funds available to provide these services;

NOW THEREFORE BE IT RESOLVED THAT the Deering City Council fully approves and supports Senate Bill 351 proposed by the Senate Community and Regional Affairs Committee; and

BE IT FURTHER RESOLVED THAT the Deering City Council directs any/and all interested parties to assist the Senate Community and Regional Affairs Committee in the approval of this Bill.

Adopted at a regularly scheduled meeting of the Deering City Council held on March 3, 1980, in Deering, Alaska.

ATTEST: Gilbert S. Barr
Gilbert S. Barr
City Manager

DATE: 4-7-80

Calvin Moto
Calvin Moto
Mayor

Gilbert Karmun
Gilbert Karmun
Vice Mayor

Delores P. Barr
Delores P. Barr
Secretary

SB
352

COMMITTEE REPORT

SENATE

1/21/80

FURTHER: Finance

Date: 3-6-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 352 requiring fiscal notes for bills affecting a municipality

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

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Marks
Tom Keating

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Esther Stimpson
CHAIRMAN

S 60 (Rev. 12/78)

Do Pass

Committee Log Book - 1980

Tape Number XIV

SENATE C/RA
Committee

Side Number 1

Dates 3/6/80 to -

Present: Senators Rodey, Kelly, Mulcahy, & Chairman Sturgulewski

Bill Numbers Discussed

SB 352	HB 585								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 005		SB 352	Chairman Sturgulewski - overview
			Palmer McCarter, Dept. C/RA
	091		Sen. Mulcahy
	170		Jack Chenoweth, Legal Division
	220		Palmer McCarter - -
	284		Marilyn Miller, AML Support of SB 352
	299		Sen. Kelly moved "do pass w/ind. rec."
			Sen. Mulcahy moved "do pass"
	327	HB 585	Sen. Rodey moved to consider "CS"/ No obj.
	342:		Jack Chenoweth, Legal Division (Overview)
	440		Carolyn Burg
	509		Marilyn Miller, AML
	524		Palmer McCarter, Dept. C/RA (Line 20 - 10%)
			Sen. Kelly
			Sen. Rodey
			Sen. Kelly & Rodey
	611		Moved to amend 10% to 15% - Sen. Kelly
	617		Sen. Kelly moved "do pass w/ind. rec."
			Sen. Rodey & Mulcahy concurred.
	621		ADJOURNMENT

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 5, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Butrovich Room 207, Capitol Building

Thursday, March 6, 1980 - 1:30 p.m.

SB 352 - Requiring fiscal notes/bills affecting municipalities

HB 585 - Re/incorporation of 2nd class borough/home rule

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1980

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
Soldotna, Anchorage, Fairbanks, Kodiak, Valdez

second round robin grouping:
Dillingham, Bethel, Kotzebue, and Nome

We are pleased to enclose the reports of the Local Government Interim Study by the Joint Senate and House Community and Regional Affairs Committee.

Legislation composed of seven bills was introduced jointly by the Senate and the House, Monday, January 21, 1980. Copies of the following bills may be obtained from your nearest Legislative Information Office. The complete package consists of Senate Bills 348, 349, 350, 351, 352, 353, 354; OR House Bills 580, 581, 582, 583, 584, 585, and 586.

For your additional information all the Senate bills in the package were assigned to the Senate Community and Regional Affairs Committee, with a referral to the Finance Committee. All the House bills in the package were assigned as follows: HB 580 - C/RA & Finance; HB 581 C/RA; HB 582 C/RA and Finance; HB 583 C/RA and Finance; HB 584 C/RA and Judiciary; HB 585 C/RA; and HB 586 C/RA. You might want to contact the referrals as well, after the bills leave the Community and Regional Affairs Committees. Senator John Sackett is Chairman of Senate Finance; Representative Russ Meekins is Chairman of House Finance, and Representative Charles Parr is Chairman of Judiciary.

In the event you are unable to give your comments during the set teleconference times, please feel free to contact the Senate and House R/CA Committees at Pouch V, Juneau, Alaska 99811.

I. REQUEST

Bill/Resolution No. H. B. 586 and S. B. 32

Title An Act Requiring Fiscal Notes for Bills Affecting a Municipality

Requested by House Committee on Community & Regional Affairs Date 1-19-80

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Community Development

RRU, Program, or Subprogram(s) Affected Local Government Assistance Division

(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		17.6	38.0	41.0	44.3	47.8
200	TRAVEL		0	0	0	0	0
300	CONTRACTUAL		1.0	1.0	1.1	1.3	1.4
400	COMMODITIES		0	0	0	0	0
500	EQUIPMENT		.5	0	0	0	0
600	LAND & STRUCTURES		0	0	0	0	0
700	GRANTS, CLAIMS, ETC.		0	0	0	0	0
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		19.1	39.0	42.1	45.6	49.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		.5	1	1	1	1
PART TIME						
TEMPORARY						

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

To prepare fiscal notes on all bills relating to municipalities would require an additional Local Government Specialist (Range 17). The figures above are based on the bill being passed at the end of the current session and the position becoming effective in January 1981 for the next legislative session.

Personal services costs are based on a Range 17 position with 28% added for benefits plus 8% each additional year for inflation.

Contractual costs are primarily for long distance telephone calls. The one time equipment cost is for a desk, phone, etc.

IV. DATE 1-18-80 PREPARED BY McKie Campbell

AGENCY Department of Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

38-126 (Rev. 12/79)

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6325

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 6, 1980

TO: Senate Community and Regional Affairs Committee

FROM: Alaska Municipal League

RE: SB 352

The Alaska Municipal League supports SB 352, Fiscal Notes. Material received from the Advisory Commission on Intergovernmental Relations is attached for your information.

Fiscal notes estimate the effect on the expenditures or revenues of a local government of implementing or complying with a proposed state law. These notes can provide information for both legislators and local representatives on the effect of state law on localities. Presently, twenty five states provide some type of formal procedures for attaching fiscal notes to pending legislation affecting state finances. Twenty two states have enacted fiscal note procedures covering proposed legislation affecting local governments.

4.103 Legislative Notes on The Fiscal Impact on Local Governments Of State Legislative Action[1]

State legislative action often affects the expenditures and revenues of state government and local governments. The attachment of estimates of such costs (fiscal notes) to bills as they move through the legislative process assures a legislator's knowledge of the fiscal impact of the new or expanded programs being authorized or the requirements being imposed. It also enables interested citizens to fix responsibility for increased governmental costs and taxes. The Advisory Commission on Intergovernmental Relations, therefore, has recommended that, as a counterpart of a package providing citizens complete information about fiscal affairs, states include, with all major state legislation and proposed administrative regulations affecting local government revenues or expenditures, an explicit note setting out the fiscal impact on those local governments of the legislation or regulations.

The great majority of states provide some formal or informal procedure for attaching fiscal notes to pending legislation affecting state finances. Only 22, however, apply a similar procedure for legislation affecting local governments. Among the latter, only nine require the procedure as a matter of statutory law; most such fiscal note procedures have been established by joint rules of the legislature. Moreover, very few states require the attachment of fiscal notes to proposed administrative rules or regulations.

Attachment of fiscal notes adds a new dimension to the legislative process—an increased sense of responsible questioning and examination on the part of state legislators. With knowledge of the estimated cost of proposed legislation, they must accept responsibility for their acts. The taxpaying public is bound to benefit—either in tax savings or in more considered public programs, or both.

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[1]Derived from ACIR, *State Limitations on Local Taxes and Expenditures*, A-64, Washington, DC, U.S. Government Printing Office, February 1977, and *State Mandating of Local Expenditures*, Report A-67, Washington, DC, U.S. Government Printing Office, September 1977.

Information Bulletin

Advisory Commission on Intergovernmental Relations
Washington, DC 20575

BULLETIN No. 79-3 April 1979

STATE MANDATES

IN BRIEF

State mandates tend to impose state priorities on local governments. Many mandates require local governments to make organizational changes, provide more services, tell them how to relate to other local governments, or to their own personnel. While they sometimes create a benefit for the local government, more often mandates impose additional costs, especially when they are not accompanied by adequate state financial assistance.

To alleviate some of the difficulties inherent in state mandating of local expenditures, the Advisory Commission on Intergovernmental Relations has recommended that states define and catalog state-initiated mandates, and that they provide reimbursement for mandates which require local governments to provide additional services, exempt property from the tax base, or impose unnecessarily costly personnel requirements. In addition, the Commission has recommended that state legislation and proposed administrative regulations contain an explicit "fiscal note" setting out any financial cost impact on local governments. Copies of the model legislation are ~~attached~~ available.

State Mandates: An Overview

A state mandate can be defined as any state constitutional, statutory, or administrative action that expands or limits local government expenditure requirements. These mandates are frequently used to achieve uniform service levels and more professional standards for employees, but they are often the basis for imposing special interest demands as well. There are state mandates on public library hours, park and recreational programs, and local payments for regional public transit systems. Mandates are enacted on special education programs, local retirement systems, labor relations procedures, and salary and wage levels.

A 1976 ACIR survey of state mandates found they were most prevalent in four areas: 45 states mandated solid waste disposal standards; 45 states mandated special education programs; 42 states set standards for workmen's compensation for local personnel other than police, fire and education; 35 or more states had provisions on retirement systems. 1/

Not surprisingly, a survey of attitudes of local officials toward mandates revealed considerable opposition toward them. Although much of this disgruntlement can be alleviated with full or partial reimbursement of additional costs resulting from the mandates, 26% of the state municipal league representatives felt state mandates were inappropriate even if they were fully reimbursed.

The current financial stress being felt at all levels of government -- stemming from mounting inflation rates, a slowing of federal aid growth, and the growing popularity of tax and expenditure limits -- has made state mandates a problem that many local government officials insist must be rectified.

Current Trends

To date, ten states have acted to regulate state mandates by restricting their use or requiring that localities be fully or partially reimbursed for additional costs imposed by mandates. In 1978, four states enacted reimbursement measures to apply on proposed new mandates. Tennessee, Michigan, and Hawaii voters approved constitutional measures requiring the state to share or

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1/ Advisory Commission on Intergovernmental Relations, State Mandating of Local Expenditures (Report A-67), Washington, D.C., U.S. Government Printing Office, July 1978.

fully fund costs associated with state-imposed mandates. Florida's reimbursement procedure is statutory.

Tennessee's constitutional revision provides that no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly provides that the state share in the cost.

In Michigan, the state is prohibited from "requiring any new or expanded activities by local governments, reducing the proportion of state spending in the form of aid to local governments or shifting the tax burden to local governments" without full state financing.

Hawaii's constitution now provides the state must "share in the cost of any new programs or increased services which the legislature requires that counties provide."

The Florida statute calls for full reimbursement when: (1) a state general law requires municipalities or counties to perform an activity or provide a service or facility which requires the expenditure of additional funds; or (2) a state law grants an exemption or changes the manner by which local property is assessed, or alters authorization to levy local taxes. Partial state reimbursement is to be provided for any state general law which establishes a service or activity which meets both state and local objectives.

Of the six additional states that require state compensation for certain types of mandates, two are statutory and four constitutional:

-- By statute, California calls for full reimbursement for costs to local governments incurred by state-imposed mandates;

-- Montana law calls for either compensation or authorization of additional local taxation to cover the additional costs; and

-- Alaska, Louisiana, Maine and Pennsylvania have constitutional provisions calling for local reimbursement limited to certain types of state mandates.

Fiscal Notes

One step in the direction of state reimbursement is the provision of fiscal notes on state legislation. Fiscal notes estimate the effect on the expenditures or revenues of a local government of implementing or complying with a proposed state law, joint resolution, regulation, rule, order, or administrative action. These notes can serve as a brake on state legislative activity affecting local governments and provide information for both legislators and local representatives on the effect of state law on localities.

Presently, 25 states provide some type of formal procedures for attaching fiscal notes to pending legislation affecting state finances. These procedures vary considerably in their comprehensiveness and applicability. They generally do not extend to agency rules or governor's orders and are not tabulated at the end of the fiscal year.

In 1978, four states enacted fiscal note procedures covering proposed legislation affecting local governments: Connecticut, Georgia, Nevada, and Rhode Island. South Carolina established a fiscal note procedure in both houses of the legislature by rule. Wisconsin and Missouri provided for fiscal notes to be attached to proposed administrative rules and regulations affecting local governments.

Fiscal notes have recently become especially important because more local governments have begun asking for, and more states have begun providing, reimbursement for state mandated programs and services.

Recent State Activity

In this Bulletin, we will look at the state mandating/fiscal note processes in three states: California, Florida and Montana.

California

California's statutes are the most comprehensive of the existing state laws on state reimbursement for mandated costs imposed on local governments. Chapter 1406 of the California statutes of 1972, better known as SB 90, requires that local governments be reimbursed for costs incurred in providing state-mandated services. SB 90 imposed property tax limits on local governments as part of the state's response to Serrano v. Priest, a landmark California Supreme Court case which held that the state's school finance system was unconstitutional under the state's equal protection clause because it made the quality of education a function of local school district's taxable wealth.

The state's commitment to reimburse encompasses local costs that result from new state-mandated programs, increased service levels, and costs previously incurred at local option that have been subsequently mandated by the state. State administrative or executive orders mandating local costs are also to be reimbursed.

To be exempt from SB 90's reimbursement requirements, legislation must contain a disclaimer describing the rationale for nonreimbursable status. Problems have arisen with the initial use of disclaimers, mainly because a 2/3 vote of the legislature is required for all appropriations legislation to be approved. This provides an incentive to determine some reason for a disclaimer. In the first five years of the program, only 76 of the 1,400 bills that imposed state mandates contained appropriations to reimburse local governments. Some disclaimers were based on negligible cash cost to the local governments. Other bills containing disclaimers gave no reason for the exemption.

The legislative council's office identifies bills containing mandates and they are sent to the Local Mandated Program Unit where an estimate of the costs to localities is prepared. If a disclaimer is attached, the bill is sent to the Finance Committee which approves or disapproves the disclaimer.

In 1977 California enacted legislation to deal with many of the problems that have arisen in the wake of SB 90. The legislation changed the minimum threshold for submission of claims by local governments, expanded the grounds for appeal for reimbursement, and required the California Department of Finance to review all non-reimbursed statutes adopted after 1972. Most importantly, local governments are given the right to appeal bills that mandate costs but which contain either a disclaimer or no appropriation.

Florida

In 1978 Florida enacted a bill stating that any statute requiring "municipalities or counties to administer any program or provide any service or facility [to] include an economic impact statement estimating total costs and [to] provide a method of financing such program or service." The measure requires the legislature to finance activities, services, or facilities when both state and local objectives are being served. General laws under which the required expenditure of additional local funds is incidental to the main purpose of the law are exempted.

Reimbursement can be provided by one of three methods: additional state funds, specific authority to the county or municipality to levy a special tax, or through other sources provided by law. Other state or federal revenues shared with or granted to municipalities or counties are not to be reduced, supplanted, or adversely affected because of this reimbursement.

This act can be superceded or modified by subsequent legislation only when the legislation states specifically that it is so doing, and a reason for the change is stated.

Montana

Montana's legislature passed state mandating legislation in 1974. The law requires the state to authorize local governments to increase local tax levies or provide state funding for the mandate. Any law intended to require local governments to exceed their statutory levy authority can be vetoed by local governments. However, the law does not apply to expenses incurred by local governments that are incidental to the main purpose of the law.

The Montana experience has been uneven so far. Although most of the legislation passed since 1974 has included a statement to the effect that local governments may pay for mandates with money from general funds, in March 1976 the Montana Attorney General ruled that additional taxing authority was not conferred on local governments. Therefore, where an all purpose levy is used, the 65 mill limit cannot be exceeded. Jurisdictions have been told, however, they can abandon the all purpose levy and utilize separate levies until the legislature either raises the limit or exempts additional functions from inclusion in the all purpose levy.

The problems caused by this Attorney General's decision have caused Montana's reimbursement system to be unacceptable to many local governments. Until the legislature works out these mandate funding problems, there will continue to be state expansions into the local government arena without sufficient compensating funding.

State Mandates and Fiscal Notes - A Model

The Advisory Commission on Intergovernmental Relations has reviewed the status of state mandating across the country and the problems associated with this practice, and has made a number of

4.116 State Mandates*

The constitutional fact of state supremacy over local governments—the latter being "creatures of the state"—provides the legislature and the courts with authority to issue directives to these local units. State-initiated mandates can be defined to include any state constitutional, statutory, or administrative action that places new fiscal or administrative requirements on local governments. While other definitions might be possible, no matter what definition is used, the main problem raised by mandates is that added costs are imposed on local government officials. Stated simply, state mandates substitute state objectives for local priorities.

Because of the imposed restrictions on local autonomy, few issues create more resentment among local officials than state mandates. While it is necessary that state governments have wide latitude in establishing statewide policies and programs, there is a substantial controversy on how far states should move into certain areas. The real question becomes: Can state mandates be sufficiently differentiated between an "appropriate" mandate, and an "inappropriate" mandate?

The use of mandates has increased in recent years for two notable reasons. First, state legislatures have been increasingly reluctant to raise state taxes in response to public demand for local services. Second, the courts have taken a more active role in ordering improvements in service standards. Consequently, state legislatures are sometimes tempted to mandate local service increases, with no state financing, and let local officials figure out how to pay for the mandates.

Several justifications are offered in defense of mandates: (1) to assure minimum statewide service levels or a more uniform level of service throughout the state; (2) to develop professional standards for employees; and (3) to implement state social or economic policy objectives.

It must be emphasized that there is little or no controversy over many state-initiated mandates, particularly those relating to the organization and procedures of local government. State mandates are justified to prescribe the form of local government, the holding of local elections, and the designation of public officers and their responsibilities. Due process and "safeguard-type" mandates are necessary to insure, for example, the equitable administration of justice and the tax laws as well as to protect the public from malfeasance. State mandates of a supervisory nature are also necessary to require localities to act or to refrain from acting so as to avoid injury to, or conflict with, neighboring jurisdictions.

Despite the controversy and interest in the mandating issue, there is still little information available on the scope of the practice. However, results of an ACIR survey indicate that among the most commonly mandated functions are special education

*Derived from ACIR, *State Mandating of Local Expenditures*, A-67, Washington, DC, U.S. Government Printing Office, September 1978; ACIR, *Labor Management Policies for State and Local Government*, A-35, Washington, DC, U.S. Government Printing Office, September 1969; ACIR, *The Role of the State in Strengthening the Property Tax*, A-17, Washington, DC, U.S. Government Printing Office, June 1963; and ACIR, *State-Local Taxation and Industrial Location*, A-30, Washington, DC, U.S. Government Printing Office, April 1967.

programs (45 states) and solid waste disposal standards (45 states). Workmen's compensation (for local personnel other than police, fire, and education) programs are mandated in 42 states, while various provisions of retirement systems are mandated in 35 or more states. Most controversial, however, are state mandates that extend to traditionally local programs—park and recreational activities, for example.

State controls over, and mandates upon, local governments are manifested in constitutional and statutory provisions and in judicial interpretations thereof. Some state constitutional provisions and state legislation are enacted for the purpose of restraining such state mandates. For example, four state constitutions—Alaska, Louisiana, Pennsylvania, and Tennesse—limit the power of the state legislature to impose mandates upon local governments.[1] But the Pennsylvania provision, after disavowing interference with internal affairs proceeds to mandate binding arbitration of firemen and policemen.[2]

Proponents of the constitutional approach argue that this is surest way to protect local autonomy. The constitutional amendment is preferable, they argue, because state statutes cannot bind future legislatures. On the other hand, opponents of constitutional restrictions stress that this approach removes the flexibility state legislatures need to meet unforeseen future demands swiftly and decisively.[3] Opponents also note that the constitutional route is slower than statutory action.

A third position advocates a constitutional provision which requires a two-thirds vote of both houses of the legislature before the state legislature may mandate local government expenditures without offsetting state financial aid. This provision is supported in some states on the ground that the proposed procedure is in conformity with the authorization procedure contained in the existing home rule amendment allowing the state legislature by a two-thirds vote to pass a special law, provided the Governor has recommended passage of the law.

Besides the constitutional provisions, some states have adopted statutes which require state compensation for future mandated local costs or revenue losses, or both.[4] To date, the California statutes are the most comprehensive of the existing state laws on state reimbursement for mandated costs to local government. Under the terms of Chap. 1406, 1972, California statutes adopted the principle of reimbursing local governments for the costs incurred in providing state-mandated services. The reimbursement provision is broad in scope and intent, but it should be noted that such reimbursement applies only to subsequent mandates, and not retroactively. The state government commitment to reimburse is not limited to specific areas of governmental activities; rather, it encompasses local costs that result from (1) new state-mandated programs; (2) increased service levels mandated for existing pro-

[1] *Constitution of the State of Alaska*, art. II, sec. 19, provides that "local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected." The constitution also forbids a political subdivision to contract a debt "unless authorized for capital improvements by its governing body and ratified by a majority vote of those qualified to vote and voting on the question." *Constitution of the State of Louisiana*, art. VI, sec. 14, provides that "No law requiring increased expenditures for wages, hours, working conditions, pension and retirement benefits, vacation or sick leave benefits of political subdivision employees, except a law providing for civil service, minimum wages, working conditions and retirement benefits for firemen and municipal policemen, shall become effective until approved by ordinance enacted by the governing authority of the affected political subdivision or until the legislature appropriates funds for the purpose to the affected political subdivision and only to the extent and amount that such funds are provided." Art. II, sec. 24, of the *Tennessee Constitution* provides in part: "Laws imposing increased expenditures on local governments must provide method of funding, and, in case of bills of general application, provide state share in the cost."

[2] Art. III, sec. 31, of the *Constitution of the Commonwealth of Pennsylvania* provides: "The General Assembly shall not delegate to any special commission, private corporation or association, any power to make, supervise or interfere with any municipal improvement, money, property or effects, whether held in trust or otherwise, or to levy taxes or perform any municipal function whatever. Notwithstanding the foregoing limitation or any other provision of the Constitution, the General Assembly may enact laws which provide that the findings of panels or commissions, selected and acting in accordance with law for the adjustment or settlement of grievances or disputes or for collective bargaining between policemen and firemen and their public employers shall be binding upon all parties and shall constitute a mandate to the head of the political subdivision which is the employer, or to the appropriate officer if the Commonwealth is the employer, with respect to matters which can be remedied by administrative action, and to the lawmaking body of such political subdivision or of the Commonwealth, with respect to matters which require legislative action, to take the action necessary to carry out such findings."

[3] In reviewing the draft legislation, states will need to consider whether a constitutional amendment is necessary to make the legislation workable.

[4] *Revised Codes of Montana, Annotated*, sec. 43-517, provides that "Any law enacted by the legislature after July 1, 1974, which requires a local government unit to perform an activity or provide a service or facility which will require the direct expenditure of additional funds must provide a means to finance the activity service or facility." And further, that "the local government unit may refuse to administer or enforce any law which does not comply with the requirements of the section if that law requires any expenditure that would require the local government unit to exceed its statutory levy authority."

grams: and (3), by amendment, costs previously incurred at local option that have subsequently been mandated by the state. Mandated local costs arising from state administrative or executive orders are also to be reimbursed.

In drafting its recommended model bill, ACIR has concentrated on the reimbursement principle and suggests that it constitutes the core of any legislative proposal. The ACIR policy on state mandates rests on the belief that states mandating either new programs or increases in service levels, or personnel and retirement benefits should share in the cost that these programs impose on local governments.

The first step necessary to come to grips with the state mandating problem is a catalog or inventory of existing state mandates. The legislative or executive branch, or both jointly, should define and then catalog existing state-initiated mandates originating by legislation, executive order, or administrative rule and regulation. All state-initiated mandates adopted in the future should be added to the catalog, and the estimated costs imposed on local governments by all new mandates should be tabulated at the conclusion of each legislative session. After a catalog is created, the same reviewing body should categorize these mandated programs so that they may be fit into proper categories for reimbursement as discussed later. Most importantly, the catalog provides the indispensable first step necessary to rationalize mandates in terms of current policy concerns. (Some states may wish to institute some "sunset" procedure for mandates, once an accurate listing has been obtained.)

Secondly, to accomplish these policy objectives, state statutes should provide procedures and formulas for partial or full reimbursement to local governments, depending upon the category of the mandate. Drawing from the California statute, the following draft bill provides certain safeguards: (a) a fiscal note process to evaluate the cost of all mandates, and (b) a strict interpretation of state-initiated mandates.

Finally, in recognition of the potential for disagreement between state and local units of government as to the costs imposed by state-initiated mandates, the draft bill provides for an appeal and adjustment procedure through a state agency designated to resolve local governments' claims arising from inadequate state funding of the reimbursement provisions. Optional provisions are included to give the local government units the right to refuse to carry out a mandate not in compliance with the reimbursement policy and to appeal to the courts once administrative procedures have been exhausted.

Section 1 gives the short title of the bill.

Section 2 serves as a policy statement for the bill, including the recognition that state mandates have often produced confusing, inconsistent, and inequitable relationships between the state government and its local political subdivisions, and that to correct these problem areas a review of existing mandates should be undertaken with an eye to developing corrective actions to produce a consistent and equitable framework of state-local relations.

To establish a uniform basis for sifting through the historical record, the term "mandate" must be defined. *Section 3* of the bill defines a state mandate and the various categories of mandates. A broad rather than narrow definition is preferable in providing a basis for differential treatment of various types of mandates.[5] These definitions serve as a necessary prerequisite to any cataloging or reimbursement procedure, and constitute a first step of a review process of state mandates.

Section 4 of the suggested legislation calls for the legislative or executive branch, or both jointly, to catalog and publish descriptions of existing state-initiated mandates originating by legislation, executive order, or administrative rule and regulation. State mandates which are a result of federal legislative, executive, and court initiatives are also to be included in the catalog with appropriate annotation, as are all future state-initiated mandates. The estimated costs of all new state mandates imposed on local governments are to be tabulated at the conclusion of each legislative session.

Section 4 provides further that the catalog should indicate to which local government unit or official the mandate is directed, whether or not direct costs are attributable to the mandate and what those costs are, the extent of state financial participation in the mandate, and a description of the mandate and its source.

Section 5 requires that, in addition to any statutory requirements for evaluating the fiscal impact of proposed mandates, the state legislature and executive branch adopt, either by statute or rules of procedure, provisions for a statement of the statewide policy objective or objectives that require or justify the imposition of the proposed requirement upon the local government. The premise underlying this re-

[5] If the definition of mandates in general is narrowed at the outset, the door is closed to obtaining a complete inventory of mandates in effect and a subsequent delineation of "justified" and "unjustified" mandates.

quirement is that a good deal of irritation and friction concerning state-mandated costs imposed on local governments stem from the failure to articulate clearly the statewide policy objective.

Section 6 specifies the reimbursement share to be paid by the state government to the local unit for each category of mandate defined in *Section 3* of the bill. Briefly, subsection (b) calls for at least a 50% reimbursement of service mandates. Subsection (c) calls for a 100% reimbursement of the loss of local revenue directly attributable to a mandated classification or exemption of property for purposes of ad valorem property taxation. Subsection (d) calls for reimbursement of personnel mandates to the full extent of increased costs incurred by local governments directly attributable to the mandate, with a few exceptions. Subsection (e) calls for a 100% reimbursement of local governmental costs directly attributable to a mandated increase in public employee retirement benefits. It should be noted that reimbursements are to be paid only for mandates effective subsequent to the effective date of this legislation.

Finally, subsection (a) of *Section 6* expressly relieves the state of reimbursement liability for mandates dealing with the organization and structure of local government, matters of due process, and interlocal equity as defined in *Section 3* of the bill. Subsection (f) provides that any proposal which creates or enlarges a state mandate shall bear either a proposed authorization for appropriation of an amount necessary for reimbursement or a disclaimer from reimbursement liability, stating the specific reason for such exclusion as provided in *Section 9*(a).

Section 7 deals with the situation where the state also places a lid on local expenditures or taxes and calls for local government units to have the authority necessary to levy taxes beyond the general limitations on local government taxes or expenditures when mandates are not reimbursed. As a practical matter, this authority can be restricted to those local costs that exceed $5,000 or 1% of the local operating budget. In this way, the financial bind of local officials will be eased while the state policy will be coordinated through a reconciliation of program objectives and the desire to restrain local government tax and expenditure growth.

Section 8 calls for the state agency charged with oversight of mandates to complete and submit to the Governor and the legislature, within three months of the publication of the catalog prescribed in *Section 4*, a review and report on mandates existing prior to the effective date of the act. This report is to include but not be restricted to matters relating to the history of the mandate, its costs, and extent of state reimbursement and whether the mandate continues to meet a statewide policy objective and whether reimbursement should be undertaken. The report is to include any other information or recommendations which the agency considers pertinent. The objective of this required review would be to highlight those mandates that no longer meet a current statewide policy objective, and at the same time to uncover mandates that continue to meet current statewide policy but need to be strengthened or changed if they are to be effective.

Once it has been determined that reimbursement is a desirable statewide policy, a mechanism for reviewing reimbursement applications and for paying reimbursements to the local unit must be established. *Section 9* of the bill sets forth this procedure. First, however, subsection (a) expressly lists several circumstances which shall exclude the state from reimbursement liability. Basically, these circumstances are those which impose little recognizable new duty on the local government, or impose only minimal new costs, or those which impose additional costs but also provide offsetting savings. Additionally, subsection (a) enables the legislature to disclaim reimbursement liability for a unique or compelling policy reason, provided the reason is stated within the proposed act establishing the mandate.

Subsections (b) and (c) of *Section 9* provides the procedures necessary for an estimation of reimbursement costs, application for reimbursement, and a disbursement procedure. Most importantly, subsection (b) calls for an estimate of mandated costs to be prepared by an agency of the state executive branch after consultation with the affected local government unit and for the estimate to be submitted to both houses of the legislature before consideration of the proposal. Subsection (c) calls for the local governmental unit affected by the mandate to submit an application for reimbursement with estimated costs within 60 days of its effective date, and for an agency of the executive branch to review this application and forward the application upon approval to the appropriate agency for reimbursement or to the legislature for a direct appropriation to the local units of government. It should be noted that all reimbursement procedures are subject to the right of the state to audit the records of any local government to verify the actual costs of the mandate and make changes if necessary. Subsection (d) of *Section 9* provides the local unit with the authority needed to appeal any adverse reimbursement decision to a designated state agency.

States having a general revenue sharing or per

capita aid program for local governments will aready have established procedures for executive review, appeal, and reimbursement that can be adapted to accommodate mandate reimbursement application, review, and adjudication.

Some states may desire to make reimbursements a funtion of the legislature, through annual appropriations to the individual local units, following receipt of a recommended reimbursement schedule from the executive branch.

Recognizing that such an administrative appeals process may not be sufficient in some cases, an optional *Section 9* is included in the draft legislation calling for local governmental units to have the right (a) to initiate court action when the local unit feels there has been inadequate reimbursement or an improper decision as to whether a proposal involves state-mandated costs, or to enjoin the effect of the mandate until funds are available; and (b) to refuse to comply with the mandate.

Suggested Legislation

[AN ACT RELATING TO STATE MANDATING OF LOCAL GOVERNMENT EXPENDITURES, SERVICES, STANDARDS, EMPLOYMENT CONDITIONS, AND RETIREMENT BENEFITS]

(Be it enacted, etc.)

SECTION 1. *Short Title.* This act may be cited as "The State Mandates Act."

SECTION 2. *Findings and Purpose.*

(a) The [*legislature*] finds that preceding actions of the state government in specifying the manner, standards, and conditions under which public services are rendered to citizens by the political subdivisions of this state on occasion have not resulted in equitable relationships between the state government and its local political subdivisions. Some of these actions have dealt in detail with the internal management of local governments, others have specified the establishment of new services and facilities without providing any new revenue sources or any financial participation by the state in meeting the additional costs; still others have specified the adoption of higher service standards without a full assessment of the impact upon local expenditures and tax rates.

(b) It is the purpose of this act

(1) to provide for the collection and periodic publication of information on existing and future state and federal mandates;

(2) to enunciate policies, criteria, and procedures to govern any future state-initiated specification of local government services, standards, employment conditions, and retirement benefits that has the effect of necessitating increased local government expenditures in such a way as to accommodate the constitutional obligations of the state government in addressing problems of statewide concern, while avoiding the imposition of state standards upon essentially local responsibilities without appropriate reimbursement or other appropriate fiscal participation on the part of the state government; and

(3) to provide for a review of existing mandates and an identification of the nature and magnitude of corrective actions needed to produce a consistent and equitable framework of state-local relations regarding mandated services, standards, and expenditures.

SECTION 3. *Definitions.*

(a) "Local government" means a city, [municipality,] county, township, town, [borough, village,] school district, or special district.

(b) "State mandate" means any state-initiated constitutional, statutory, or executive action that requires a local government to establish, expand, or modify its activities in such a way as to necessitate additional expenditures from local revenues, including any order issued by a state court except judgments in

eminent domain condemnation and tort liability proceedings, or proceedings relating to local government performance or nonperformance under any contract or agreement. State mandates may be reimbursable or nonreimbursable as provided in this act.

(c) "Local government organization and structure mandate" is a state mandate concerning such matters as

(1) the form of local government and the adoption and revision of local government charters,

(2) the establishment of multicounty districts, councils of governments, or other forms and structures for interlocal cooperation and coordination;

(3) the holding of local elections;

(4) the designation of public officers, and their duties, powers, and responsibilities; and

(5) the prescription of administrative practices and procedures for local governing bodies.

(d) "Due process mandate" is a state mandate concerning such matters as the

(1) administration of justice,

(2) notification and conduct of public hearings,

(3) procedures for administrative and judicial review of actions taken by local governing bodies, and

(4) protection of the public from malfeasance, misfeasance, or nonfeasance by local government officials.

(e) "Benefit spillover" is the process of accrual of social or other benefits from a governmental service to jurisdictions adjacent to, or beyond the jurisdiction providing the service.

(f) "Service mandate" is a state mandate as to creation or expansion of governmental services or delivery standards therefor and those applicable to services having substantial benefit spillover and consequently being wider than local concern; for purposes of this act, applicable services are

(1) elementary and secondary education,

(2) community colleges,

(3) public health,

(4) hospitals,

(5) public assistance,

(6) air pollution control,

(7) water pollution control,

(8) solid waste treatment and disposal,

(9) non-local public transportation, and

(10) [*other statewide or non-local services for which the state might be expected to establish levels or delivery standards.*]

A state mandate that expands the duties of a public official by requiring the provision of additional

services is a "service mandate" rather than a "local government organization and structure mandate."

(g) "Interlocal equity mandate" is a state mandate requiring local governments to act so as to benefit other local governments or to refrain from acting to avoid injury to, or conflict with, neighboring jurisdictions, including such matters as

(1) land use regulations,

(2) tax assessment procedures for equalization purposes, and

(3) environmental standards.

(h) "Tax exemption mandate"[1] is a state mandate that exempts privately owned property or other specified items from the local tax base, such as

(1) exemption of business inventories from the local property tax base, and

(2) exemption of food or medicine from the local sales tax.

(i) "Personnel mandate" is a state mandate concerning or affecting local government

(1) salaries and wages,

(2) employee qualifications and training (except when any civil service commission, professional licensing board, or personnel board or agency established by state law sets and administers standards relative to merit-based recruitment of candidates for employment or conducts and grades examinations and rates candidates in order of their relative excellence for purposes of making appointments or promotions to positions in the competitive division of the classified service of the public employer served by such commission, board, or agency).

(3) hours, location of employment, and other working conditions, and

(4) fringe benefits including insurance, health, medical care, retirement and other benefits.

SECTION 4. *Collection and Maintenance of Information Concerning State Mandates.*

(a) The [department of community affairs] [state comptroller] [*other agency in the executive branch of state government*] [*committee, agency, or office of the legislature*] shall be responsible for

(1) collecting and maintaining information on state mandates, including such information as may be required for effective implementation of the provisions of this act;

(2) reviewing local government applications for reimbursement submitted pursuant to this act;

(3) hearing complaints or suggestions from local governments and other affected organizations as to existing or proposed state mandates; and

(4) reporting periodically to the Governor and [*legislature*] regarding the administration of provisions of this act and changes proposed thereto.

(b) (1) Within [12 months] following the effective date of this act, the [*head of state agency*

[1] See suggested legislation *State Compensation Programs for State-Owned Property*

specified in subsection (a) above] shall collect and tabulate relevant information as to the nature and scope of each existing state mandate, including but not necessarily limited to

(i) identity of type of local government and local government agency or official to whom the mandate is directed;

(ii) whether or not an identifiable local direct cost is necessitated by the mandate and the estimated annual amount;

(iii) extent of state financial participation, if any, in meeting such identifiable costs;

(iv) state agency, if any, charged with supervising the implementation of the mandate;

(v) a brief description of the mandate and a citation of its origin in statute or regulation.

(2) The resulting information shall be published in a catalog [available to legislators, state and local officials, and interested citizens]; as new mandates are enacted they shall be added to the catalog, and at the conclusion of [*each annual or biennial session of the legislature or other specified time*] the [*state executive or legislative agency*] shall list each new mandate enacted at the preceding legislative session, and the estimated additional identifiable direct costs, if any, imposed upon local governments.[2] A revised version of the catalog shall be published every [five] years, beginning with the publication date of the initial version.

(3) Information comparable to that described in subsection (1) above shall be collected by [*state agency*] regarding federal legislative, executive, and judicial mandates and shall be included in the initial and subsequent versions of the catalog.[3]

SECTION 5. *Specification of State Policy Objective.*

(a) Subsequent to the effective date of this act, any proposal for legislation submitted by the executive branch of the state government, any bill filed for introduction by a member of the [*legislature*], and any committee print of a new or amended bill that has the effect of creating or enlarging a state mandate upon local government as defined in Section 3(b) of this act shall include, in addition to the estimated additional costs to the affected local governments as provided under [*citation of any statute(s) requiring the attachment to proposed legislation of notes on local government fiscal impact*], a statement of the statewide policy objective or objectives that require or justify the imposition of the proposed requirements upon local government and the extent to which such policy objectives or objective cannot be achieved in the absence of such proposed requirements.[4]

(b) Subsequent to the effective date of this act, any executive order or administrative regulation

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[2] See suggested legislation *Legislative Notes on the Fiscal Impacts on Local Governments of State Actions*. Also a provision might be included for differentiating between initial or first-year costs and subsequent annual operating costs.

[3] Federal mandates are so numerous and complex that states may wish to confine catalog coverage to certain major or other selected categories.

[4] In some states the substance of this subsection would be provided in the legislature's rule of procedure rather than by statute, at least with regard to the responsibilities imposed upon individual members or committees; alternatively such a rule might provide that consideration of a mandate bill would not be in order, absent the required statement of policy objective.

that creates or enlarges a mandate as defined in Section 3(b) of this act shall include a statement of the statewide policy objective or objectives as specified in subsection (a) above.

SECTION 6. *State Reimbursement to Local Government for Increased Costs Arising from Certain State Mandates.*

(a) Any increased costs accruing to local governments as a direct result of mandates dealing with the organization and structure of local government, due process mandates, and interlocal equity mandates as defined in subsections (c), (d), and (g) respectively, of Section 3 above, are not reimbursable by the state.

(b) At least [50%], but under no circumstances more than [100%] of the increase in costs of a local government directly attributable to a service mandate as defined in Section 3(f) enacted legislatively or established administratively subsequent to the effective date of this act shall be reimbursed by the state unless there is in existence at the time of such enactment a program of state aid for the service affected by the mandate whereunder the non-local share for any participating local government is [50%] or greater and where the increased costs arising under the mandate constitute allowable expenditures under the aid program. Where all or part of the increased costs are met through federal or other external aid, only the net increase to the local government shall be included in the base against which the amount of state reimbursement is to be computed.

[(c) [100%] of the loss in revenue of a local government directly attributable to a mandated classification or exemption of property for purposes of ad valorem property taxation enacted subsequent to the effective date of this act shall be reimbursed by the state. The loss of revenue does not include potential revenue from property of a type which was not being assessed and taxed on January 1, [*insert year in which this act is to be effective*].][*]

(d) Except for a state mandate that places a floor under retirement benefits or that affects personnel qualifications for local employees, the salaries and wages of which are partially or wholly financed under a state aid program, any personnel mandate as defined in Section 3(i) above enacted legislatively or established administratively subsequent to the effective date of this act shall be reimbursed by the state to the extent of increased costs incurred by local governments directly attributable to such mandate.

(e) All of the increased costs of a local government directly attributable to a mandated increase in public employee retirement benefits enacted subsequent to the effective date of this act [and which has the effect of elevating retirement benefits of local government employees above an adequate level—to

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[*]States may wish to provide total or partial reimbursement in case of mandated exemptions of business inventories (see ACIR *State Legislative Program*, Vol. 3, M-94, *State and Local Revenues*, 3.10", pp. 49-52, Washington, DC, U.S. Government Printing Office, November 1975). See suggested legislation, *State Compensation Programs for State-Owned Property*.

costs above a 75% takehome salary replacement] shall be reimbursed by the state.[6]

(f) Subsequent to the effective date of this act, any proposal for legislation submitted by the executive branch of state government, any bill filed for introduction by a member of the [*legislature*], and any committee print of a new or amended bill that creates or enlarges a state mandate of the type specified in subsections (b), (c), (d), and (e) above, shall bear either a proposed authorization for appropriation of an amount necessary to provide the reimbursement specified above or a disclaimer from reimbursement liability, stating the specific reasons for such exclusion, as provided in Section 9(a) below.

SECTION 7. *Exemption from State-Imposed Limits of Taxes* [*and/or Expanditures*] *of Local Governments of Revenues Needed to Meet Increased Costs Directly Attributable to State Mandates.*

Execution of state mandates as defined in this act is hereby declared a public purpose of affected local governments in the [*insert name of state*], and where the increased local costs directly attributable to any nonreimburseable mandate as provided in Section (6) above exceeds [$5,000] [1% of the operating budget of the local government], the excess may be included in the [property tax levy] [fiscal year's operating expenditure] above and beyond the limitations set forth in [*cite applicable statutory provision setting general limitations upon local government tax rates or levies or upon expenditures*].

SECTION 8. *Review of Existing Mandates.*

(a) Concurrently with, or within [three] months subsequent to the publication of a catalog of state mandates as prescribed in Section 4(b) above, the [*state agency charged with oversight of mandates in Section 4(a)*] shall submit to the Governor and the [*legislature*] a review and report on mandates enacted prior to the effective date of this act and remaining in effect at the time of submittal of the report.

(b) The report shall include for each mandate the following:

(1) the factual information specified in Section 4(b) for the catalog;

(2) extent to which the enactment of the mandate was requested, supported, encouraged, or opposed by local governments or their respective organizations;

(3) whether or not the mandate continues to meet a statewide policy objective or has achieved the initial policy intent in whole or in part;

(4) amendments if any required to make the mandate more effective;

(5) whether the mandate should be retained or rescinded;

(6) whether state financial participation in helping meet the identifiable increased local costs arising from the mandate should be initiated, and if so, recommended ratios and phasing-in schedules; and

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[6] In many states most local government retirement benefits have already reached what are regarded as adequate levels among retirement and actuarial experts (e.g., 75%-80% take-home salary replacement after meeting length of service requirements); many are beginning to exceed this level amid increasing concern about the financial soundness of local retirement systems. Each state will need to develop its own definition of "adequacy" with any mandated enrichments over that level subject to full or partial state reimbursement.

(7) any other information or recommendations which the [*state agency*] considers pertinent.

[(c) Any mandate not renewed, revised, or dealt with otherwise by the [*legislature*] shall terminate at the end of three years following the publication of the initial version of the catalog prescribed in Section 4(b).][7]

[(d) The [*appropriate committee of each house of the legislature*] shall review the report and shall initiate such legislation or other action as it deems necessary.]

SECTION 9. *Exclusions. Reimbursement Application, Review, Appeals, and Adjudication.*

(a) *Exclusions.* Any of the following circumstances inherent to, or associated with, a mandate shall exclude the state from reimbursement liability under this act. If the mandate

(1) accommodates a request from local governments [or organizations thereof];[8]

(2) results in no new governmental duties, including legislation or regulation permissive in nature;

(3) provides only clarifying or conforming, nonsubstantive changes in an earlier statute or regulation;

(4) imposes additional duties of a nature which can be carried out by existing staff and procedures at no appreciable net cost increase;

(5) creates additional costs but also provides offsetting savings resulting in no aggregate increase in net costs;

(6) imposes a cost that is wholly or largely recovered from federal, state, or other external financial aid;

(7) imposes additional net costs of less than [$1,000 for a single local government or 1/10 of a mill on the statewide aggregate local property tax base].

Additionally, the [*legislature*] may exclude a mandate from reimbursement liability for a unique or compelling policy reason, such reason to be stated in the act establishing the mandate.

(b) *Reimbursement Estimation and Appropriation Procedure.*

(1) When a bill is introduced in the [*legislature*], the [*legislative counsel or other office of the legislature*] shall determine whether such bill requires reimbursement to local governments pursuant to this act. The [*counsel or office*] shall make such determination known in the digest of the bill.

In making the determination required by this subsection the [*legislative counsel*] shall disregard any

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[7] If a state desires to initiate a "sunset" procedure for forcing attention to mandates already on the books, the procedure should follow that set forth in the state's general "sunset" law, if one exists, additionally the legislature might find it preferable in consideration of workload to exclude "form and structure" and "due process" mandates from the scope of "sunset."

[8] A state mandate that arises as a direct result of a legislative provision sought by local governments probably should not require reimbursement. The wording of this exclusion depends upon the structure and process that underlies state legislation on local government affairs in a given state including such factors as: the extent to which such matters are handled by general law or as special legislation targeted by name or narrow population class to one or a few local governments; the nature of the local governments' request in a specific instance; nature of testimony given in support of the legislation; degree of unanimity of support among the individual local governments; and the role of state organizations of city or county officials and the scope and nature of the process by which the organizations establish positions in support of or opposition to specific legislative bills.

provision in a bill which would make inoperative the reimbursement requirements of Section 6 above, and shall make the determination irrespective of any such provision.

(2) Whenever the [*legislative counsel*] determines that a bill will require state reimbursement to a local government as provided in Section 6, the [*department of finance or other executive branch fiscal agency*], after consultation with the [*department of community affairs or the state agency designated in Section 4 and subsequently*] shall prepare estimates of the amount of reimbursement which will be required.[9] Such estimates shall be prepared for the [*respective committees of each house of the legislature*] which consider taxation and appropriation measures and shall be prepared prior to any hearing on such a bill by any such committee.

(3) The estimate required by subsection (2) above shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local governments pursuant to Section 6, for costs mandated by such bill. In the event that the operative date of such a bill does not begin on the first day of [*state fiscal year*], the estimate shall also include the amount estimated to be required for reimbursement for the next following full fiscal year. In the event that a bill is amended on the floor of [*either house*], whether by adoption of the report of a conference committee or otherwise, in such a manner as to require reimbursement pursuant to this act, the [*legislative counsel*] shall immediately inform, respectively, the [*Speaker of the House and the President of the Senate*] of such fact. Such notification from the [*legislative counsel*] shall be published in the journal of the [*respective houses of the legislature*].

(4) For the initial fiscal year, reimbursement funds shall be provided as follows:

(i) any statute mandating such costs shall provide an appropriation therefor, and

(ii) any executive order mandating such costs shall be accompanied by a bill to appropriate the funds therefor, or, alternatively an appropriation for such funds shall be included in the executive budget for the next following fiscal year.

In subsequent fiscal years, appropriations for such costs shall be included in the [executive budget] and general or supplemental appropriation bills.

(5) The amount appropriated for such purposes shall be [appropriated to the [*state fiscal agency*] for disbursement] [appropriated directly to the local units of government pursuant to subsection (c) below].

(c) *Reimbursement Application and Disbursement Procedure.*

(1) For the initial fiscal year during which reimbursement is authorized, each local government believing itself to be entitled to reimbursement under this act shall submit to the [*department of community affairs*] [*state fiscal agency*] [*other appropriate state officials or agency*], within [60] days of

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[9] Where the legislature has provided a fiscal note procedure (as referenced in footnote to *Section 4(b)(2)* above), somewhat different wording may be needed.

the operative date of the mandate a claim for reimbursement accompanied by its estimate of the increased costs required by the mandate for the balance of the fiscal year. [*The department of community affairs*] [*or other state executive agency*] shall review such claim and estimate and forward them with its comments to the [*state fiscal agency*]]. The [*department of finance*] [*or appropriate state fiscal agency*] shall [pay such claims from the funds appropriated pursuant to subsection (b) above, provided that it may

(i) audit the records of any local government to verify the actual amount of the mandated cost, and

(ii) reduce any claim determined to be excessive or unreasonable.] [submit to the [*legislature*] a schedule of recommended appropriation to respective units of local government.]

(2) For the subsequent fiscal years, local governments shall submit claims as specified above on or before [*date*] of each year. The [*state fiscal agency*] shall [pay] [recommend to the [*legislature*] the payment of] such claims from funds appropriated therefor, provided that it

(i) may audit the records of any local governments to verify the actual amount of the mandated cost.

(ii) may [reduce] [recommend to the [*legislature*] the reduction of] any claim, determined to be excessive or unreasonable, and

(iii) shall adjust the payment to correct for any underpayments or overpayments which occurred in the previous fiscal year.

(3) Any funds received by a local government pursuant to this act may be used for any public purpose.

(d) *Appeals and Adjudication.*

(1) Local governments may appeal determinations made by state officers acting pursuant to this act. The appeal must be submitted to the [*department of community affairs or other state agency designated in Section 4*] within [days] following the date of receipt of the determination being appealed. [The appeal must include evidence as to the extent to which the mandate has been carried out in an effective manner and executed without recourse to standards of staffing or expenditure higher than specified in the mandatory statute]. The [*state agency*], after reviewing the evidence submitted to it, [may increase or reduce the amount of a reimbursement claim] [shall submitt to the legislature any recommendations for change]. [The decision of the [*agency*] shall be final.] [*Some states, especially those already having boards of control or other adjudicatory body for review of claims against the state may wish to provide a second level of appeal*].

SECTION 10. *Refusal to Comply with Mandate and Judicial Review Thereof.*

[(a) An affected local government may, by resolution refuse to comply with or enforce any law not meeting the requirements of this act.[10] A copy of such resolution shall be transmitted within 24

hours to the [attorney general; Governor.]]

(b) [*A section that would permit a local government to initiate court action to determine whether or not an enacted statute or issued executive order correctly specifies that it does not involve any state-mandated costs, or if it involves such costs that there is an adequate appropriation available and that would require the court to enjoin the effect of the mandate until funds are available.*][11]

SECTION 11. *Effective Date.* [*Insert effective date.*]

SECTION 12. *Separability.* [*Insert separability clause.*]

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[10]See *Revised Codes of Montana*, sec. 43-517, SB 231, Florida Senate, 1978, provided "The municipality or county may refuse to comply with, administer, or enforce any law which does not comply with the requirements of this section unless such law expressly supersedes or modifies this act. No subsequent legislation shall be deemed to supersede or modify any provision of this act, whether by implication or otherwise except to the extent that such legislation shall do so expressly; reasons for legislative deviations from this section shall be stated with particularity in the preamble of the act."

[11]See AB 1563, California Assembly, 1977.

GPO 939 052

4.103 Legislative Notes on The Fiscal Impact on Local Governments Of State Legislative Action[1]

State legislative action often affects the expenditures and revenues of state government and local governments. The attachment of estimates of such costs (fiscal notes) to bills as they move through the legislative process assures a legislator's knowledge of the fiscal impact of the new or expanded programs being authorized or the requirements being imposed. It also enables interested citizens to fix responsibility for increased governmental costs and taxes. The Advisory Commission on Intergovernmental Relations, therefore, has recommended that, as a counterpart of a package providing citizens complete information about fiscal affairs, states include, with all major state legislation and proposed administrative regulations affecting local government revenues or expenditures, an explicit note setting out the fiscal impact on those local governments of the legislation or regulations.

The great majority of states provide some formal or informal procedure for attaching fiscal notes to pending legislation affecting state finances. Only 22, however, apply a similar procedure for legislation affecting local governments. Among the latter, only nine require the procedure as a matter of statutory law; most such fiscal note procedures have been established by joint rules of the legislature. Moreover, very few states require the attachment of fiscal notes to proposed administrative rules or regulations.

Attachment of fiscal notes adds a new dimension to the legislative process—an increased sense of responsible questioning and examination on the part of state legislators. With knowledge of the estimated cost of proposed legislation, they must accept responsibility for their acts. The taxpaying public is bound to benefit—either in tax savings or in more considered public programs, or both.

As states move toward reimbursement of local governments for mandated programs, the attachment of fiscal notes becomes an essential part of any such procedure. The fiscal note will provide a basis for estimating the cost of such reimbursement and then initiating the actual reimbursement process.[2]

The following suggested legislation requires that fiscal notes be attached to legislation or administrative actions affecting local governments. It comprises a full fiscal note procedure and can be made to apply to legislation affecting state government. States that already have adequate state fiscal note legislation may simply wish to use the applicable local government provisions as amendatory to their present statutes. Requiring fiscal notes on legislation affecting local governments may also be handled through legislative rules or resolutions, rather than by statute.

The suggested bill is based on Arkansas and Maryland statutes (Act 221, 1977 Session, and An-

[1]Derived from ACIR, *State Limitations on Local Taxes and Expenditures*, A-64, Washington, DC, U.S. Government Printing Office, February 1977; and *State Mandating of Local Expenditures*, Report A-67, Washington, DC, U.S. Government Printing Office, September 1977.

[2]See suggested legislation on *State Mandates*.

notated Code, Art. 40, secs. 63-7-A, respectively).

Section 1 states the title of the act.

Section 2 states the findings and purpose of the legislation.

Section 3 defines a fiscal note.

Section 4 requires that fiscal notes be attached to all bills and resolutions with a fiscal impact on local governments.

Section 5 provides a parallel requirement for administrative rules and actions.

Section 6 specifies the information to be contained in a fiscal note.

Section 7 designates the official responsible for preparing the fiscal note or for determining that a fiscal note is not necessary and directs the official to obtain the advice and assistance of local government officials, when appropriate.

Sections 8 and 9 provide for revision of notes and replacement of waivers with notes if bills and resolutions are amended to change their fiscal impact.

Section 10 requires that fiscal notes be made available for public inspection.

Sections 11 and 12 are separability and effective date clauses.

[AN ACT REQUIRING THE ATTACHMENT OF FISCAL NOTES TO PROPOSED LEGISLATION AFFECTING LOCAL GOVERNMENT FINANCES]

(Be it enacted, etc.)

SECTION 1. *Short Title.* This act may be cited as the "[*State*] Local Government Fiscal Notes Act."

SECTION 2. *Findings and Purpose.*

(a) The [*legislature*] finds that many [local political subdivisions] of this state are adversely affected by the fiscal effects of rules, orders of regulatory bodies, and acts of the [*legislature*]. In many instances, neither the [*legislature*] nor the affected local governments are fully aware of the extent of the fiscal consequences of proposed laws or administrative actions. The [*legislature*] finds also that awareness on the part of legislators and interested citizens of the fiscal impact of proposed administrative actions and laws can result in tax savings or in more considered programs, or both.

(b) It is the purpose of this act to require the attachment of a fiscal note to each proposed law, joint resolution, regulation, rule, order, or administrative law presumed to have a fiscal impact on the [local political subdivisions] of this state.

SECTION 3. *Fiscal Note Defined.* For purposes of this act, "fiscal note" means a realistic statement of the estimated effect on the expenditures or revenues of [local political subdivisions] of implementing or complying with a proposed law, joint resolution, regulation, rule, order, or administrative law.

SECTION 4. *Fiscal Note Required on Legislation.* Before any vote is taken in a committee of the [*legislature*] or on the floor of [*either house*] thereof, on any bill or joint resolution affecting the expenditures or revenues of a [local political subdivision], a fiscal note shall be filed with the chairman of the committee to which the bill or resolution was referred and the [*chief clerk of each house*]. Any representative of any [local political subdivision] requesting a copy of the fiscal note shall be furnished with a copy immediately upon request. The sponsor of the bill or resolution shall be responsible for causing copies of the fiscal note to be furnished as required by this act.

SECTION 5. *Fiscal Note Required on Administrative Actions.* No regulation, rule, order, or administrative law, or amendment to an existing regulation, rule, order, or administrative law which would affect the expenditures or revenues of any [local political subdivision] in this state shall be valid, unless 30 days prior to its adoption by the board, commission, agency, department, officer, or other authority of the government of the [*insert state*], except the [legislature, the courts, and the

Governor], such board, commission, agency, department, officer, or other authority shall file a fiscal note with the [*secretary of state*]. Any [local political subdivision] that will be affected by the proposed regulation, rule, order, administrative law, or amendment thereto shall, upon request, immediately be furnished with a copy of the fiscal note by the board, commission, agency, department, officer, or other authority.

SECTION 6. *Contents of Fiscal Note.* A fiscal note shall contain an estimate of the effect of the bill, joint resolution, or administrative action on the expenditures or revenues of [local political subdivisions] for the fiscal year in which the bill, joint resolution, or administrative action would become effective if enacted and for the next [four] succeeding fiscal years. If the effect of the bill, joint resolution, or administrative action is not expected to be totally evident within the applicable period, the estimate shall be projected beyond that period to include an estimate for the first fiscal year in which it is expected to be fully effective.

SECTION 7. *Preparation of Note or Waiver.* The [*chief fiscal officer*][1] [*legislative research director*] shall have the fiscal note prepared by his office or by other departments or agencies of state government. Where appropriate, he shall seek the advice and assistance of local government officials or their representatives. A waiver of the fiscal note shall be prepared by the [*chief fiscal officer*] [*legislative research director*] for any bill, joint resolution, or administrative action that does not have a direct effect upon the revenues or expenditures of [local political subdivisions]. If the fiscal note is not prepared by the [*chief fiscal officer*] [*legislative research director*], the department or agency of state government preparing the fiscal note shall be clearly indicated on the fiscal note along with the signature of the [*chief fiscal officer*] [*legislative research director*] or his authorized representative indicating that the [*chief fiscal officer*] [*legislative research director*] agrees with the fiscal impact estimate thereon.

SECTION 8. *Revision of Note.* A fiscal note that is attached to a bill or joint resolution shall be revised if an amendment is adopted that changes the fiscal effect of the bill or joint resolution, unless this requirement is waived by [the chairman of the committee to which the bill was referred,] the [*president of the senate*] or the [*speaker of the house*]; provided, however, that such waiver shall apply only to technical changes. The revised fiscal note shall be processed by the [*chief fiscal officer*] [*legislative research director*] and returned as quickly as possible to the committee, or the clerk of the [*house*], or [*secretary of the senate*] if one of the latter has the custody of the bill or joint resolution at that time.

SECTION 9. *Replacement of Waiver With Note.* A waiver of a fiscal note shall be replaced with a fiscal note if an amendment to a bill or joint resolution causes the bill or joint resolution to have an ef-

[1]Either the chief fiscal officer of the executive branch or of the legislature may be designated.

fect upon the revenues or expenditures of [local political subdivisions].

SECTION 10. *Retention of Copy of Fiscal Note or Waiver; Inspection; Publication of Note or Waiver in Journals; Matter of Public Record.*

(a) A copy of each fiscal note or waiver of a fiscal note shall be retained by the [*chief fiscal officer*] [*legislative research director*], and be reasonably available for public inspection, for [at least three years following its preparation] [the duration of the program]. The fiscal note or waiver of a fiscal note attached to any bill or joint resolution shall be published in the [journal of each house of the [legislature] [session laws for the legislative session in which the act to which it applies is enacted].

(b) A fiscal note, upon being filed as herein provided, is a public record within the meaning of the [*cite state freedom of information act*]

SECTION 11. *Separability.* [*Insert separability clause.*]

SECTION 12. *Effective Date.* [*Insert effective date.*]

SENATE			HOUSE		
Bill #	Subject	Committee	Bill #	Subject	Committee
348	Est. Unorg. Boros	C/RA & Finance	580	Est. Unorg. Boros	C/RA & Finance
349	Planning Assistance	C/RA & Finance	582	Planning Assistance	C/RA & Finance
350	DPDP	C/RA & Finance	581	DPDP	C/RA
351	State Aid to Munici	C/RA & Finance	583	State Aid to Municipalities	C/RA & Finance
352	Fiscal Notes	C/RA & Finance	586	Fiscal Notes	C/RA
353	Incorp. 2nd Class Boroughs	C/RA & Finance	585	Incorp. 2nd Cls. Boroughs	C/RA
354	Elimination 3rd Class Boroughs	C/RA & Finance	584	Elim. 3rd Class Boroughs	C/RA & Jud.

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
Soldotna, Anchorage, Fairbanks, Kodiak, Valdez

second round robin grouping:
Dillingham, Bethel, Kotzebue, and Nome

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 8, 1980

TO: Senator John Sackett
Senate Finance

FROM: Senator Arliss Sturgulewski

On March 6 the Senate Community and Regional Affairs Committee passed out SB 352 with a unanimous do-pass. The next committee of referral is Senate Finance. There has been growing interest in many states to have state legislatures more aware of the financial implications of their actions on local governments. Alaska seems to be no exception to that interest. For example, Senators Hackney, Ziegler and Kelly introduced SB 309, An Act requiring the preparation of a local government impact statement. That bill is currently before Community and Regional Affairs. Substitute language is currently being prepared that could either be attached to SB 292 as amended, An Act requiring fiscal notes to be prepared for regulations having fiscal impact, or could be considered as a committee substitute for SB 309. Senate Bill 309 speaks to the impact of changes in regulations as they might impact local governments; while SB 352 speaks to impacts of particular bills that could cause a financial impact on local communities.

During the committee meetings we spent considerable time discussing how legislation should be written to require a fiscal note showing municipal impact. I'm sending along materials submitted by the Alaska Municipal League that might help the Senate Finance Committee when it considers this bill. We discussed utilizing more specific language, such as consideration only of major impacts. However, testimony by the Community and Regional Affairs Department indicated they were comfortable with the wording of the bill and would of course be prepared to carry out the legislation if it should pass. There is a fiscal note accompanying SB 352.

I would be very happy to work with you or designated staff in the event you feel this legislation needs further refinement or discussion. I strongly support this bill and would appreciate your support and assistance. Thanks, John.

Attachment

SB
353

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1980

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
Soldotna, Anchorage, Fairbanks, Kodiak, Valdez

second round robin grouping:
Dillingham, Bethel, Kotzebue, and Nome

We are pleased to enclose the reports of the Local Government Interim Study by the Joint Senate and House Community and Regional Affairs Committee.

Legislation composed of seven bills was introduced jointly by the Senate and the House, Monday, January 21, 1980. Copies of the following bills may be obtained from your nearest Legislative Information Office. The complete package consists of Senate Bills 348, 349, 350, 351, 352, 353, 354; OR House Bills 580, 581, 582, 583, 584, 585, and 586.

For your additional information all the Senate bills in the package were assigned to the Senate Community and Regional Affairs Committee, with a referral to the Finance Committee. All the House bills in the package were assigned as follows: HB 580 - C/RA & Finance; HB 581 C/RA; HB 582 C/RA and Finance; HB 583 C/RA and Finance; HB 584 C/RA and Judiciary; HB 585 C/RA; and HB 586 C/RA. You might want to contact the referrals as well, after the bills leave the Community and Regional Affairs Committees. Senator John Sackett is Chairman of Senate Finance; Representative Russ Meekins is Chairman of House Finance, and Representative Charles Parr is Chairman of Judiciary.

In the event you are unable to give your comments during the set teleconference times, please feel free to contact the Senate and House R/CA Committees at Pouch V, Juneau, Alaska 99811.

I. REQUEST

Bill/Resolution No. H. B. 585 and S. B. 353

Title An Act Relating to the Incorporation of 2nd Class Boroughs as Home Rule

Requested [illegible] Date [illegible]

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would allow second class boroughs to move directly to the Home Rule status without going through the process of first becoming first class as is now required.

There would be no fiscal impact on state government.

IV. DATE 1-22-80 PREPARED BY Terry Farley

AGENCY Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

[illegible] (Rev. 10/78)

STATE OF ALASKA

Inter-Department Route Slip

TO: Legislature

MAIL STATION NUMBER 3100

DEPARTMENT _____

ATTENTION House CvRA Committee

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☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
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☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

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FROM:

MAIL STATION NUMBER 2102

DEPARTMENT CvRA

BY Lallgoner/Bm DATE 1/23/80

02-002 (REV.10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H. B. 585 and S. B. 353
Title An Act Relating to the Incorporation of 2nd Class Borough's as Home Rule
Requested by House C&RA Date 1-22-80

II. FISCAL DETAIL
Agency Affected N/A
Program Category Affected N/A
Budget Request Unit(s) Affected N/A

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would allow second class boroughs to move directly to the Home Rule status without going through the process of first becoming first class as is now required.

There would be no fiscal impact on state government.

IV. DATE 1-22-80 PREPARED BY Terry Earley
AGENCY Community & Regional Affairs
PHONE 465-4730

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

33-001 (Rev. 10/78)

SB
354

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

January 23, 1980

TELECONFERENCE NOTICE

February 6, 1980 / 8-10 a.m. (Juneau time)

Southeastern Alaska - Ketchikan and Sitka

February 7, 1980 / 1:30 p.m. (Juneau time)

first round robin grouping:
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In the event you are unable to give your comments during the set teleconference times, please feel free to contact the Senate and House R/CA Committees at Pouch V, Juneau, Alaska 99811.

Introduced: 1/21/80
Referred: Community & Regional Affairs and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Community and Regional Affairs Committee Interim Joint Local Government Study)

IN THE SENATE

SENATE BILL NO. 354

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act eliminating third class boroughs."

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

* Section 1. AS 29.08.030 is amended to read:

Sec. 29.08.030. CLASSES OF GENERAL LAW. General law municipalities are of four [FIVE] classes:

(1) first class boroughs;

(2) second class boroughs;

(3) [THIRD CLASS BOROUGHS;]

(4) first class cities;

(5) second class cities.

* Sec. 2. AS 29.08.040(g) is amended to read:

(g) A second class borough may reclassify as a first class [OR THIRD CLASS] borough [, AND A THIRD CLASS BOROUGH MAY RECLASSIFY AS A FIRST CLASS OR SECOND CLASS BOROUGH,] in the manner provided by AS 29.-33.270 - 29.33.290 for the addition of powers by boroughs, except the petition or proposal requests reclassification instead of requesting addition of powers.

* Sec. 3. AS 29.78.010(1) is amended to read:

(1) "borough" means a general law first or [,] second [OR THIRD] class organized borough;

* Sec. 4. AS 02.15.260(10) is amended to read:

(10) "municipality" means a home rule or general law municipal corporation and political subdivision, which is a first or second class borough or city [, OR A THIRD CLASS BOROUGH,] incorporated under the

laws of the state;

* Sec. 5. AS 14.12.110 is amended to read:

Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Notwithstanding the provisions of this chapter or other law, a single body may serve as both the borough assembly and borough school board in the manner provided for in this section [THIRD CLASS BOROUGHS UNDER AS 07.-17.030], if a borough ordinance for that purpose is approved by the assembly and ratified by a referendum of a majority of the qualified borough voters voting on the question at a regular or special election, and if the public school population within the borough is 500 pupils or less. If a single body serves as both the borough assembly and school board, the borough executive is the presiding officer of the borough assembly and president of the school board and the borough executive has all powers of a borough executive under AS 29.23 except for the veto power.

* Sec. 6. AS 38.05.037(a) is amended to read:

(a) In areas of the state outside first and [,] second [OR THIRD] class boroughs where there is no municipality with a zoning power, the division of lands shall exercise the zoning power by adopting zoning regulations.

* Sec. 7. AS 40.15.070 is amended to read:

Sec. 40.15.070. PLATTING AUTHORITY. If land proposed to be subdivided or dedicated is situated within a first or second class borough, the proposed subdivision or dedication shall be submitted to the borough planning commission for approval. If the land is situated within a city in the unorganized borough, [OR THE THIRD CLASS BOROUGH] the proposed subdivision or dedication shall be submitted to the city planning commission for approval. The borough planning commission is the platting authority for the first or second class borough, the city planning

commission is the platting authority for the city, and the division of lands is the platting authority in the remaining areas of the state [AND THIRD CLASS BOROUGH] for the change or vacation of existing plats or a portion of such plats, as provided in AS 40.15.075. If the borough or the city does not have a planning commission, the borough assembly or the city governing body, respectively, is the platting authority and the proposed subdivision or dedication shall be submitted to it. No subdivision may be filed for record until it is approved by the platting authority.

* Sec. 8. AS 40.15.075 is amended to read:

Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH [AND THIRD CLASS BOROUGHS]. The division of lands is the platting authority in the area outside organized boroughs and outside cities in the unorganized borough [AND IN THE THIRD CLASS BOROUGH] for only the purposes of hearing and acting on petitions for the change or vacation of plats and shall execute this function substantially in conformity with the provisions of AS 29.33.210 - 29.33.240. Costs of publication and mailing as well as other costs authorized in AS 29.33.210 shall be paid to the division by the petitioner. The Department of Natural Resources shall adopt reasonable regulations governing the exercise of the authority conferred by this section upon the division of lands.

* Sec. 9. AS 43.35.130 is amended to read:

Sec. 43.35.130. REFUND TO LOCAL GOVERNMENTS. The department shall refund 75 percent of the tax collected from sales of punchboards in an organized borough or city of the first or [,] second [, OR THIRD] class to the local government. The balance shall be deposited in the general fund.

* Sec. 10. A municipality which is incorporated as a third class borough on the effective date of this Act may continue to operate as such until

December 31, 1984 and shall retain all the rights, powers and privileges which it possessed on the effective date of this Act. A third class borough which has not reclassified itself in the manner provided by AS 29.33.270 - 29.33.290 before December 31, 1984, is reclassified as a second class borough on that date.

* Sec. 11. The following laws are repealed: AS 29.08.040(h), (i), and (j); AS 29.41; AS 29.43.040(b); and AS 38.05.037(b)(2).

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)

33-001 (Rev. 12/79)

7 7

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislature

ATTENTION House Comm. & Reg. Affairs Comm.

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Remarks:

Pass to House Comm. Mbrs.
Not House Committee.

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT Community & Regional Affairs

BY Susan Wegener DATE 1/24

02-002 (REV.10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

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)

33-001 (Rev. 12/79)

Introduced: 1/21/80
Referred: Community & Regional Affairs and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Community and Regional Affairs Committee Interim Joint Local Government Study)

IN THE SENATE

SENATE BILL NO. 354

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act eliminating third class boroughs."

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

* Section 1. AS 29.08.030 is amended to read:

Sec. 29.08.030. CLASSES OF GENERAL LAW. General law municipalities are of four [FIVE] classes:

(1) first class boroughs;

(2) second class boroughs;

(3) [THIRD CLASS BOROUGHS;]

(4) first class cities;

(5) second class cities.

* Sec. 2. AS 29.08.040(g) is amended to read:

(g) A second class borough may reclassify as a first class [OR THIRD CLASS] borough [, AND A THIRD CLASS BOROUGH MAY RECLASSIFY AS A FIRST CLASS OR SECOND CLASS BOROUGH,] in the manner provided by AS 29.-33.270 - 29.33.290 for the addition of powers by boroughs, except the petition or proposal requests reclassification instead of requesting addition of powers.

* Sec. 3. AS 29.78.010(1) is amended to read:

(1) "borough" means a general law first or [,] second [OR THIRD] class organized borough;

* Sec. 4. AS 02.15.260(10) is amended to read:

(10) "municipality" means a home rule or general law municipal corporation and political subdivision, which is a first or second class borough or city [, OR A THIRD CLASS BOROUGH,] incorporated under the

laws of the state;

* Sec. 5. AS 14.12.110 is amended to read:

Sec. 14.12.110. SINGLE BODY AS ASSEMBLY AND SCHOOL BOARD. Notwithstanding the provisions of this chapter or other law, a single body may serve as both the borough assembly and borough school board in the manner provided for in this section [THIRD CLASS BOROUGHS UNDER AS 07.-17.030], if a borough ordinance for that purpose is approved by the assembly and ratified by a referendum of a majority of the qualified borough voters voting on the question at a regular or special election, and if the public school population within the borough is 500 pupils or less. If a single body serves as both the borough assembly and school board, the borough executive is the presiding officer of the borough assembly and president of the school board and the borough executive has all powers of a borough executive under AS 29.23 except for the veto power.

* Sec. 6. AS 38.05.037(a) is amended to read:

(a) In areas of the state outside first and [,] second [OR THIRD] class boroughs where there is no municipality with a zoning power, the division of lands shall exercise the zoning power by adopting zoning regulations.

* Sec. 7. AS 40.15.070 is amended to read:

Sec. 40.15.070. PLATTING AUTHORITY. If land proposed to be sub divided or dedicated is situated within a first or second class borough, the proposed subdivision or dedication shall be submitted to the borough planning commission for approval. If the land is situated within a city in the unorganized borough, [OR THE THIRD CLASS BOROUGH] the proposed subdivision or dedication shall be submitted to the city planning commission for approval. The borough planning commission is the platting authority for the first or second class borough, the city planning

commission is the platting authority for the city, and the division of lands is the platting authority in the remaining areas of the state [AND THIRD CLASS BOROUGH] for the change or vacation of existing plats or a portion of such plats, as provided in AS 40.15.075. If the borough or the city does not have a planning commission, the borough assembly or the city governing body, respectively, is the platting authority and the proposed subdivision or dedication shall be submitted to it. No subdivision may be filed for record until it is approved by the platting authority.

* Sec. 8. AS 40.15.075 is amended to read:

Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH [AND THIRD CLASS BOROUGHS]. The division of lands is the platting authority in the area outside organized boroughs and outside cities in the unorganized borough [AND IN THE THIRD CLASS BOROUGH] for only the purposes of hearing and acting on petitions for the change or vacation of plats and shall execute this function substantially in conformity with the provisions of AS 29.33.210 - 29.33.240. Costs of publication and mailing as well as other costs authorized in AS 29.33.210 shall be paid to the division by the petitioner. The Department of Natural Resources shall adopt reasonable regulations governing the exercise of the authority conferred by this section upon the division of lands.

* Sec. 9. AS 43.35.130 is amended to read:

Sec. 43.35.130. REFUND TO LOCAL GOVERNMENTS. The department shall refund 75 percent of the tax collected from sales of punchboards in an organized borough or city of the first or [,] second [, OR THIRD] class to the local government. The balance shall be deposited in the general fund.

* Sec. 10. A municipality which is incorporated as a third class borough on the effective date of this Act may continue to operate as such until

December 31, 1984 and shall retain all the rights, powers and privileges which it possessed on the effective date of this Act. A third class borough which has not reclassified itself in the manner provided by AS 29.33.270 - 29.33.290 before December 31, 1984, is reclassified as a second class borough on that date.

* Sec. 11. The following laws are repealed: AS 29.08.040(h), (i), and (j); AS 29.41; AS 29.43.040(b); and AS 38.05.037(b)(2).

SB
360

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S. B. 360
Title Exemption of a Disabled Veteran from Levy and Collection of Real Property Taxes
Requested by _____ Date 1/25/80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services (grants) Community Development (Administrati
Budget Request Unit(s) Affected Local Government Assistance/State Assessor (administration)
Senior Citizen Property Tax Exemption (grant)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		0	1.0	1.0	1.0	1.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			423.7	483.0	550.6	627.7
TOTAL		0	424.7	484.0	551.6	628.7

FUNDING (Thousands of Dollars)

GENERAL FUND		0	424.7	484.0	551.6	628.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assume grant requirement will increase 14% per year due to increased property values, mill rates and number of applicants. See attached sheet for tabulation of calculations used to arrive at the estimated fiscal impact above.

IV. DATE 1-29-80 PREPARED BY LaDonna Brown
AGENCY Local Government Assistance
PHONE 465-4739

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

33-001 (Rev. 10/78)

ent
360 Fiscal Note
/80

Disability Rating	1/Number of Veterans	2/ 75% Homeowners	FY 80 3/ Average Senior Citizen Exemption	@ Disability Rate	4/Total Exemption Amount
10%	1,113	835	$616	61.60	51,436
20%	580	435	"	123.20	53,592
30%	439	329	"	184.80	60,799
40%	235	176	"	246.40	43,366
50%	180	135	"	308.00	41,580
60%	154	116	"	369.60	42,874
70%	64	48	"	431.20	20,698
80%	41	31	"	492.80	15,277
90%	11	8	"	554.40	4,435
100%	81	61		616.00	37,576
	2,898	2,174			$371,673

1/ Number of veterans in each disability rating was received by telephone from Mr. Waldron of the Veteran's Administration.

2/ Assume that 25% of the veteran's rent their home or have some arrangement other than homeownership.

3/ Assume that veteran's will average similar tax bills to those in the senior citizen property tax exemption program.

4/ A number of veterans may already be receiving property tax exemption because they are age 65 or over, this factor cannot be readily calculated so due to this and other factors the fiscal impact may be somewhat lower than that estimated.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

SB
370

COMMITTEE REPORT

SENATE

FURTHER: None

1/31/80 Date: 4-1-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 370 .
fire prevention

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 [ ] new title

and recommends _____

[ ] 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:

B. Mahoney

Finkel

Allen Stephens

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXI
Cassette 1 & 2
Side Number 1 & 2

SENATE C/RA
Committee

Members present: Chairman Sturgulewski, Kelly, Mulcahy, Stimson
" absent: Senator Rodey

Dates 4/1/80 to --

Bill Numbers Discussed

SB 451	SB 452	SB 370	SB 389	SB 510					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/1/80 1:30 p.	008	SB 451 & 452	Chairman Sturgulewski - gave summary on amendments
	177		Senator Fahrenkamp, sponsor, gave background
	313		Sen. Kelly re SB 451- Why not straight appropriation?
	393	SB 370	Gary Crouse, Dept. of Public Safety, Fire Prot. Offic
			Sen. Kelly moved to Pass with individual recommendation Bill passed out of Committee / Sen. Stimson / Sturgulewski "Do pass"
	520	SB 389	Jack Chenowith, Legal Office / Sen. Sturgulewski
	619		Terry Earley, Dept. C/RA/ Tax Assessor
	773		J. Chenoweth, Amendment - New amendment giving C/Ra ability to determine adjacent parcels.
Side 2	000		Frank Lee, Sen. Bradley's AA, re parcel/tract
	102		Gary Jenkins, Private Citizen
	206		Carl Haggerup, Private Citizen/ Sen. Sturgulewski
	356	SB 510	Chairman Sturgulewski/ Bill Summary
	391		Jack Chenoweth, Legal Office
	604		Dept. C/RA
	671		Gary Jenkins, Dept. of Revenue
	691		Mitch Gravo, Anchorage Municipality,
	833		Re conditional exemption based on reimbursement Ginny Chitwood, AML, funding- municipality reim.
Cassette 2			Senator Sturgulewski Senator Kelly
	055		Jack Chenoweth, Legal Office re failure to fund over

3:15 p.m. - meeting adjourned

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Senate C/RA

April 1, 1980

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
	Ginny Chitwood	2041 Franklin St Juneau AK	AK Municipal League
510	Mitch Gallo	Pouch 6-650 Anch 99501	Mun of Anch

Committee Log Book - 1980

Tape Number XVIII

Side Number 1 & 2

Dates 3/25/80 to ---

SENATE C/RA
Committee

PRESENT: Senators Kelly, Mulcahy, Stimson and Chairman Arliss Sturgulewski

ABSENT: Sen. Rodey

Bill Numbers Discussed

SB 309	SB 370	SB 348	SB 350	SB 492					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P 3/25/80	0005	SB 309	Sen. Sturgulewski, Opened meeting, gave overview
	090	CSSB 309	Sen. Kelly moved to accept
	108		Terry Earley, Dept. C/RA
	157		Sen. Kelly moved to pass/ No objections
	175	SB 370	Sen. Kelly moved to adopt Committee Substitute
	280		Sen. Kelly stated problems with the bill
	430		Sen. Stimson comments his concerns
	463		Sen. Sturgulewski reviews members concerns
	494		G. Crouse, Dept. of Public Safety / objection to CS - 1st sentence needs deletion
	571	CSSB 348	Sen. Sturgulewski
	596		Sen. Mulcahy moves to bring CS before Committee
	648		Sally Rue, DPDP, testifies for
	829		Terry Earley, Dept. of C/RA testifies Fiscal Note
	873	CS SB 350	No Fiscal Note for new "CS" available yet
Side 2	008		Jay Moore, DPDP testifies for
	264		Dale Eliason
	325		Sen. Mulcahy moved to pass all 3 bills (CSSB 348, CSSB 350, CSSB 492 Sen. Kelly praised package, but did not vote as against his philosophy

2:45 p.m. MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XVI
Cassettes 1 and 2
Side Number 1 and 2

SENATE C/RA COMMITTEE
Committee

Dates 3/18/80 to

PRESENT: Senators Kelly, Stimson, Rodey, & Chairman Sturgulewski

Bill Numbers Discussed

SB 450	SB 370								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3-18-80 1:30	005	SB 450	Chairman Sturgulewski
	060		Sen. Bettye Fahrenkamp - Supportive
	154		Sen. Kelly
	174		Sen. Rodey
	193		Ronald A. Garzini/Anchorage
	226		Rep. Bettisworth
	283		Sen. Stimson - Move "do pass w/ind. rec."
			No objections
	310	SB 370	Chairman Sturgulewski
	337		Sen. Colletta
	398		Jerry Nerland (Ak. Retail Hom. Assoc/Nerlands Retail Assoc.
	522		Pat McKee, Anchorage Municipality
	574		Brian Shute, Anchorage Attorney
	719		Gordon Zerbetz, APUC Chairman
	800		Sen. Stimson
SIDE 2	019		Warren Cummings/Fairbanks
	162		Jerry Nerland
	194		Sharon Traylor, Div. Bus. Lns/Dept. Commerce & Ec. Develop.
	229		Sen. Kelly

	247	Charles Roth, Jr.
	444	Bill Mears, Dept. of Administration
	511	Lee Sharp, Attorney, City of Juneau
	642	Bob Shirnberg, Ak. Fire Chiefs/ Kenai, Ak.
	734	Sen. Stimson
	759	Sen. Kelly
	792	Gary Crouse, Fire Protection Office/Dept. PUblic Safety
	827	Palmer McCarter
Cassette 2 Side 1	010	Sen. Kelly/ Sharon Traylor; Sec. 4 & 5 (wants scope & implication review Sect. 1 - other alternatives / tax credits??
	227	Sen. Stimson
	256	Adjourned

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE:

LOCATION:

SUBJECT:

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TEST.
Clarence Kaylor	[illegible]		465-2510	OK	✓
CHAS. ROTH JR.	NASS & FCA	1695 MANZANITA, N.E SALEM, ORE. 97303	503 / 390-0452	OK	✓
BILL MEARS	DEPT. ADMIN. RISK MGT.	POUCH "C"	465-2180	O/C	X
Gordon Brunton	Dept of Public Safety	Pouch N	465-4331	OC X	
Lee Sharp	City & Borough of Juneau	155 So Seward St	586-5300	O/C.	
F. C. Smith	APHA	Juneau, AK	344-4284	no X	
Bob Shrewsbury	ALASKA FIRE CHIEFS	KENAI AK	283-4384	OC	X
Gary Crouse	State Fire Marshals Off	Pouch "N" Juneau, AK	465-4331	OK	X
OK Bob Bethurum	Fairbanks	Pouch Y 111	456-4950	O/C.	X

SENATE C. & R.A., S.B. 370 - 'FIRE PREVENTION' - WITNESSES

ANCHORAGE

S.G. JERRY MERCANO OK

RONALD A. GARZINI - S.B. 450

GLEN McKEE OK

BRIAN R SHUTE ~~SHUTT~~ O/C

Gordon Tedlet? O/C.

FAIRBANKS

WARREN CUMMINGS

KETCHIKAN

KENAI PENINSULA

Standing Lege * ALFRED D. WILLIS

Standing Lege * ALAN R. PHILLIPS

OBSERVERS THAT MIGHT WANT TO TESTIFY

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

Official Business

March 31, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Mike Colletta
Senator Don Bennett
Senator Brad Bradley
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Frank Ferguson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building, Butrovich Room

Tuesday, April 1, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention

SB 389 - An Act relating to the senior citizens tax exemption

SB 510 - An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date

SB 451 - An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils

SB 452 - An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date.

SB 351 - An Act relating to state aid to local governments; and providing for an effective date

Introduced: 1/31/80
Referred: Community &
Regional Affairs

IN THE SENATE BY COLLETTA AND BRADLEY

SENATE BILL NC. 370

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to fire prevention."

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

* Section 1. AS 29.53.060(a) is amended to read:

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section and AS 29.53.030, 29.53.035, and 29.53.160. The full and true value is the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels. The assessor may not include the value of a fire protection system in the assessment of the full and true value of a building.

* Sec. 2. AS 42.05.381 is amended by adding a new subsection to read:

(d) A utility may not charge a fee or surcharge to provide standby water for fire protection systems which use hydraulic sprinklers.

* Sec. 3. AS 45.95.020(a) is amended to read:

(a) The commissioner shall, under regulations and policies adopted by him, make small business loans to acquire, finance or refinance or equip businesses, including farming equipment, fire protection equipment, mining and fishing, not exceeding $500,000. The loans shall be secured by acceptable collateral and may not exceed 75 percent of the appraised value of the collateral offered as security. The rate of interest may not exceed nine and one-half percent a year on the unpaid balance. The commissioner shall give preference in the granting of

loans under this section to applications for loans the purpose of which is to purchase and install fire protection equipment.

* Sec. 4. AS 45.95.020 is amended by adding a new subsection to read:

(e) The commissioner may not disqualify an applicant for, or prejudice the applicant's privilege to receive, a loan to purchase and install fire protection equipment on the basis of a prior or present loan to the applicant under AS 45.95.

* Sec 5. AS 44.33.170 is amended by adding a new subsection to read:

(b) Tourist attraction development matching money may also be obtained for the purpose of purchasing and installing fire protection equipment for a building used or to be used for the purposes described in (a) of this section.

Introduced: 1/31/80
Referred: Community & Regional Affairs

IN THE SENATE BY COLLETTA AND BRADLEY

SENATE BILL NO. 370

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

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(b) Tourist attraction development matching money may also be obtained for the purpose of purchasing and installing fire protection equipment for a building used or to be used for the purposes described in (a) of this section.

AMENDMENT

By the Community and
Regional Affairs Committee

Offered in the SENATE

TO: SENATE BILL NO. 370

Page 1, lines 8 - 17, delete all material and insert the following in its place:

"* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) real property to the extent and subject to the conditions provided in (j) of this section.

*Sec. 2. AS 29.53.020 is amended by adding a new subsection to read:

(j) Two percent of the assessed value of a structure is exempt from taxation if the structure contains fire protection systems in operating condition incorporated as a fixture or part of the structure. The exemption granted by this subsection is limited to

(1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or

(2) an amount equal to two percent of the value of structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981."

Renumber following sections accordingly.

A M E N D M E N T

By the Community and
Regional Affairs Committee

Offered in the SENATE

TO: SENATE BILL NO. 370

Page 1, lines 8 - 17, delete all material and insert the following in its place:

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(1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or

(2) an amount equal to two percent of the value of structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981."

Renumber following sections accordingly.

Attachment A

List of items for consideration in revision of health professions practice

A M E N D M E N T

By the Community and
Regional Affairs Committee

Offered in the SENATE

TO: SENATE BILL NO. 370

Page 1 lines 8 - 17, delete all material and insert the following in its place:

"* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) real property to the extent and subject to the conditions provided in (j) of this section.

* Sec. 2. AS 29.53.020 is amended by adding a new subsection to read:

(j) Two percent of the assessed value of an improvement to real property is exempt from taxation if the improvement contains fire protection equipment in operating condition incorporated as a fixture or part of the improvement. The exemption granted by this subsection is limited to

(1) an amount equal to two percent of the value of fire protection equipment based on the assessment for 1981, if fire protection equipment is a fixture of the real property on January 1, 1981; or

(2) an amount equal to two percent of the value of fire protection equipment during the year of its installation if the fire protection equipment becomes a fixture of the property after January 1, 1981."

Renumber following sections accordingly.

For purposes of this Act, definition of approved types of fire protection systems and fire alarm systems shall be made available ~~through~~ by the State Fire Marshall's Office. On or before the end of October 1980 the State Fire Marshall's Office shall submit a list of approved types of systems to the State Assessor's Office, Department of Community and Regional Affairs and Division of Business Loans, Department of Commerce and Economic Development. This information will also be available to the public. An updated version of this list shall be submitted yearly thereafter by the end of October.

BRIAN R. SHUTE
ATTORNEY AT LAW
1026 WEST 4TH AVENUE, SUITE 208
ANCHORAGE, ALASKA 99501
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February 29, 1980

The Honorable Hugh Malone
Pouch V
Juneau, Alaska 99811

Dear Mr. Malone:

Re: Definitions of Fire Protection Systems in House Bill 648

At the House Community and Regional Affairs Committee hearings on the above bill, a question concerning definition of fire protection systems was raised. The State Fire Chiefs Association explained their understanding of the bill was that it would cover those fire protection and fire alarm systems as defined in the National Fire Codes. What follows is a suggested definition of fire protection systems.

> Fire protection systems are those systems as defined in the National Fire Codes, current edition, published by the National Fire Protection Association.
>
> The systems include, but are not limited to, the following: Foam extinguishing systems, high expansion foam systems, carbon dioxide systems, Halon 1301 systems, Halon 1211 systems, dry chemical systems, water operation fixed systems, foam/water sprinkler and supply systems, standpipe and hose systems, hydraulic sprinkler systems, and associated pumps and tanks as required for the foregoing systems.
>
> Fire alarm systems include, but are not limited to: supplemental station signalling systems, local protective signalling systems, auxilliary signalling systems, remote station signalling systems, proprietary signalling systems, automatic fire protection systems.

The growing public support for this bill is indicative of its benefit. The Alaska Fire Chiefs Association and the Alaska State Fire Fighters Association emphatically urge its enactment.

If you have any questions please do not hesitate to call.

Very truly yours,

Brian R. Shute

Brian R. Shute, Attorney for
Alaska Fire Chiefs Association and
Alaska State Fire Fighters Association

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Fire Hydrant—means a valved connection on a water supply system having one or more outlets and which is used to supply hose and fire department pumpers with water.

Fire Lane—means the road, path, or other passageway developed to allow the passage of fire apparatus through congested areas (both built-up and wildland).

Fire Marshal—means the individual designated as the administrative head of the agency, bureau or division responsible for the administration and enforcement of this Code. The Fire Department Chief Administrative Officer shall assume these responsibilities in those jurisdictions where a separate agency, bureau or division is not established. Other titles used to designate this individual are: Fire Prevention Official, Chief Fire Prevention Officer, Chief of the Bureau of Fire Prevention or Fire Prevention Chief. For purposes of enforcement of this Code, this term shall also apply to any person designated as a representative of the Fire Marshal.

Fire Official—means any authorized person serving as a designated employee, representative, or agent of the Fire Department.

Fire Protection System—means ~~any fixed device~~ or system, or fire extinguishing ~~device~~ or system, ~~or their combination~~, which is designed and installed for detecting, controlling, or extinguishing a fire, ~~or otherwise alerting occupants or the fire department~~, or both, that a fire has occurred.

Fire Retardants—mean liquids, solids or gases which tend to inhibit combustion when applied on, mixed in, or combined with combustible materials.

Fireworks Display—means the use of fireworks in a manner to provide audio and visual entertainment to a group of people.

Flamespread Rating—means the comparative performance of fire travel over the surface of a material when tested in accordance with the provisions of *Method of Test of Surface Burning Characteristics of Building Materials, NFPA No. 255* (*see Appendix B*). Grouping of ratings is listed in *Life Safety Code, NFPA No. 101 (see Annex A)*.

Gallon—means one U. S. Standard Gallon.

Grade—means the reference plane representing the average elevation of finished ground level adjoining the building at all exterior walls.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

May 6, 1980

The Honorable Arliss Sturgulewski
Chairman
Senate C&RA Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

RE: CSHB 648 (FINANCE)

As per your request, the following represents the Department's concerns of CSHB 648.

Most of our concerns surfaced during our discussion on the original Senate Bill 370.

Our main concern in this bill is the statutory placement of the exemption. As this bill is an exemption, it should be placed in that category and not be an attempt to weaken the definition of full and true value. The reasoning for this is two-fold. First, the amended section which reads "The assessor may not include the value of a fire protection system in the assessment of the full and true value of a building" is contradictory to the definition of full and true value contained in the same section.

Second, exemptions, full or partial, mandatory or optional, are contained in 29.53.020, 29.53.025, 29.53.030, and 29.53.035. These are referred to constantly by the local assessor, and separating exemptions statutes would make it more difficult for the local municipality to effectively use Title 29.

The major concerns which the municipalities have expressed to the Department is the administration of the language used in this bill. The "value" of fire protection systems could be interpreted several ways, i.e., unit cost, in place cost, or market value. The market value of such a system could be well below the cost to install, thereby making the administration of this bill very difficult for the local municipality. It is also quite possible for some properties appear not to receive this exemption if the valuation is done by the income approach. This approach is utilized for commercial property in Anchorage and as other areas begin to become more sophisticated they will also use this approach.

The suggestion we made in regards to SB 370 could be implemented here as well. This would require the assessor to exempt 2% of the value of the building. The 2% was obtained from an international cost manual and reflects the average value of a fire protection system.

I hope this addresses the areas which you questioned and I would like to thank you for taking time to ask about our concerns on pending legislation.

Sincerely,

Lee

Lee McAnerney
Commissioner

TWO INTERPRETATIONS

(Insurance Services Agency)

APUC - says water standby charge is based on insurance rating for each area.

Whether water is used or not, certain amounts must be available in case of fire.

If SB 370 passes, APUC interprets:

- that buildings with sprinkler systems will not have to pay a fee or surcharge once system is installed....

IN VIEW OF THE ABOVE MANDATED CHARGE, APUC CONTENDS SOMEONE MUST PAY THE DIFFERENCE, AND THEY INTERPRET THIS DIFFERENCE AS COMING FROM ALL OTHER CONSUMERS, WHETHER COMMERCIAL, RESIDENTIAL, OR THE GENERAL PUBLIC.

Mr. Shirnberg interprets this bill to mean only commercial buildings will be affected - and any price differential would be equally split among all commercial buildings, whether they have sprinkler systems installed, or not. The general public would not be affected.

QUESTION: Also, APUC was established to set fair rates - is this law attacking the rate making process - even just a small portion?? And, is this good - to start ....?

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

A hard copy

TO: Marie Pignalberi
Deputy Commissioner

DATE: March 10, 1980

FILE NO:

THRU: Palmer McCarter
Director

TELEPHONE NO:

FROM: Steve Van Sant
Assistant State Assessor

SUBJECT: Comments on SB 370

This is a followup of the memorandum dated 3/5/80 to Deputy Commissioner Marie Pignalberi regarding concerns on SB 370.

Upon obtaining more information and talking with some of the assessors in the state, we would like to add the following information:

1. According to Anchorage Assessor, Pat McKee, this bill would be almost impossible for him to administer. The reason being that Anchorage does not value commercial property (where most fire protection equipment exists) by the cost approach, but by the income approach. The income approach is simply estimating market value by the income a building is capable of making. For example, assume there are two motels in Anchorage, side by side, and both were very similar. Further assume that one had sprinklers and the other one did not. The estimated value of one motel would probably be within 1%-5% of the value of the other, assuming the room rents were comparable. In this instance, there would be no value given on fire protection equipment, therefore, it would be very difficult to conform with SB 370.

2. As stated in our previous memorandum, we are concerned as to what value the assessor is expected to exempt, cost of equipment, cost of equipment and labor, or estimated market value. If it is to be the cost of the equipment, would the assessor take the actual cost to the owner, or the average cost to any property in general?

3. This bill does not require reimbursement by the state for revenues lost to the municipality by the implementation of this bill.

4. The property owner in the unorganized borough who plans to install fire protection equipment would not realize any incentive under this program (and, in our minds, if the bill is to be an incentive for installation of fire suppression systems, rural Alaska or the unorganized borough is where the greatest need exists).

ALTERNATIVE 1

For your information, we have attached pages from the "Marshall Valuation Service". This valuation service is used world wide by many assessors. Nearly all assessors in Alaska who value commercial property by the cost approach utilize this guide.

On one of the pages, it indicates that the approximate portion of the total cost for "sprinklers" in an office building is 1.9%.

If it is the intent of the legislature to pass a bill whereby the incentive is an exemption of property taxes, the Department would suggest amendments to SB 370 as follows:

1. Remove this exemption from AS 29.53.060 (Full and True Value) and place it in AS 29.53.020 (Required Exemptions).

2. State the amount to be exempted if a structure does have fire protection equipment. This could be done easily by stating, "The exempted amount of this exemption shall be 2% of the full and true value of the building as determined by the assessor under AS 29.53.060."

3. The state should reimburse the municipality any revenue lost to it by the implementation of this bill.

4. There should be a time limit of three years placed upon the exemption. This would allow time for the taxpayer to amortize his investment, but not be an on-going give away program.

5. Existing structures could be granted the same 2% exemption for three years to be equitable. (Although, again, if the intent is to encourage installation of a fire suppression system, only new structures should be included in the bill).

Alternative 2

If the intent of SB 370 is to offer incentives to property owners planning new construction and encourage the inclusion of fire protection systems in new structures, the Department suggests that a program similar to the following be considered.

For equity proposes, the state would adopt a normal cost schedule for fire protection systems. An example of such a cost schedule is presented in the attachments, page No. 2 from the Marshall Valuation Service. In conjunction with this schedule, Marshall Valuation Service also provides "local multipliers" which bring the normal cost schedule

into line with costs in Alaska. The local multiplier for the schedule is 1.97.

After adoption of a schedule, the Department could then compute the "normal cost" of a fire protection system by applying the schedule to each structure which applied for the program. For example, if an application were received for a 10,000 sq. ft. building, the normal costs would be obtained as follows:

10,000 sq.ft. X $1.15 X 1.97 = $22,655.00

After the normal costs were calculated, the incentive program would offer a grant to the property owner of 5% of the computed normal cost. Therefore, the property owner would receive $1132.75 ($22,655 X 5%) from the state. The normal costs could be updated on an annual basis to reflect current estimated normal costs.

Attachments

GENERAL INFORMATION

PERCENTAGE BREAKDOWN

The percentages below indicate the approximate portion of the total cost attributable to each component in a typical modern 12-story Class A office building of average size and quality, not including financing costs.

AVERAGE MULTISTORY OFFICE BUILDING

Plans, engineering, and supervision	6.2%
Clearing, excavation, and foundation	2.7%
Steel frame and decking	13.4%
Miscellaneous steel	1.0%
Heating and air conditioning	12.9%
Air conditioning enclosures	.5%
Plumbing	4.5%
Sprinklers	1.9%
Electrical, including fixtures	9.3%
Elevators, conveying systems	4.9%
Metal wall panels and insulation	5.3%
Masonry backup and partitions	3.0%
Frame and drywall partitions	3.7%
Sash and glazing	3.0%
Plaster and furring	2.0%
Doors, door frames, and hardware	.6%
Concrete floors and roof	7.5%
Roofing and roof insulation	.3%
Resilient floor coverings	1.2%
Carpeting	1.2%
Acoustical ceilings, suspended	2.5%
Painting	.8%
Marble, tile, and terrazzo	.4%
Miscellaneous carpentry, finish, and cleanup	1.0%
Miscellaneous, unclassified	.8%
General contractor's overhead and profit	9.4%
TOTAL	100.0%

The 9.4 percent listed for general contractor's overhead and profit is the percentage of total cost. This is the equivalent of 11.1 percent of labor, material, and subcontracts, excluding plans, engineering and architect's supervision.

FLOOR LOADS

The following are typical live floor loads of some of the buildings used in determining cost averages. A majority of the buildings will have more than one design floor load to accommodate various uses. Thus, a hotel will be designed for heavy floor loads in halls and public areas and lighter floor loads in room areas, and banks will need heavier floors in computer and equipment rooms than in office areas.

The listed loads are typical of design specifications of a number of buildings built or under construction during recent years.

OCCUPANCY	POUNDS PER SQUARE FEET	
Apartments and dormitories	40	(plus 20 lbs. of partitions)
Auditoriums and churches	100	(60 for fixed seating)
Banks	100	(150 lbs. in equipment floors)
Computer and equipment floors	150	
Dwellings	40	
Governmental buildings	80	(125 lbs. in equipment rooms)
Gymnasiums	100	(150 lbs. for drill floors)
Hospitals	50	(100 lbs. in corridors)
Hotels and clubs	50	(100 lbs. in public areas)
Libraries	60	(150 lbs. in stack areas)
Light industrials and garages	100	(50 lbs. in office areas)
Medium industrials	150	(50 lbs. in office areas)
Heavy industrials	200	(and up, 60 lbs. in office areas)
Lofts	100	(50 lbs. in office areas)
Low cost offices	50	(125 lbs. in equipment rooms)
Average offices	50	(150 lbs. in equipment rooms)
Good offices	60	(150 lbs. in equipment rooms)
Excellent offices	80	(175 lbs. in equipment rooms)
Restaurants	100	(150 lbs. in kitchen areas)
Schools	50	(100 lbs. in corridors)
Stores	100	(125 lbs. in appliance floors)
Theaters	80	(150 lbs. for stage floors)
Warehouses - light	100	
- medium	150	
- heavy	200	(and up)

STORES AND COMMERCIAL BUILDINGS

(SEGREGATED COST METHOD)

INTERIOR CONSTRUCTION — Table I is based on averages for several types of occupancies not including furniture, fixtures, and equipment. Table II gives costs based on a square foot of partition area and may be used when a more detailed analysis is desired. For additional interior and partition costs, see Section 52. For fixture and equipment costs, see Section 65.

TABLE I. Apply to total floor area. Add or deduct 5% for each foot of variation from 12' average story height.

FRAME INTERIOR PARTITIONS	1	2	3	4
Bowling alleys (excluding alleys and equipment)	$ .77	$ .92	$1.09	$1.30
Department stores	1.94	2.54	3.32	4.34
Discount stores	.56	.70	.88	1.11
Markets	.89	1.02	1.17	1.35
Restaurants, drive-in	2.80	3.79	5.12	6.92
Restaurants, table service	2.48	3.83	5.91	9.12
Retail stores	.82	1.17	1.66	2.37

MASONRY INTERIOR PARTITIONS				
Bowling alleys (excluding alleys and equipment)	$ .95	$1.12	$1.32	$1.56
Department stores	2.19	2.85	3.72	4.84
Discount stores	.74	.90	1.10	1.35
Markets	1.08	1.23	1.39	1.58
Restaurants, drive-in	3.18	4.25	5.69	7.61
Restaurants, table service	2.92	4.42	6.70	10.05
Retail stores	1.02	1.43	2.00	2.80

TABLE II. Apply to square feet of partition area. Costs include doors and openings. Do not use these costs if Table I is used.

Acoustic accordion partitions	$10.00	$13.75	$19.00	$26.00
Gypsum block	1.75	2.25	2.95	3.80
Masonry, tile or concrete block	2.00	2.60	3.45	4.50
Metal partitions	4.65	5.80	7.20	9.00
Metal and glass	5.20	6.40	7.90	9.75
Steel studs and gypsum board	1.90	2.25	2.65	3.10
Steel studs and plaster	2.25	2.60	3.05	3.55
Steel channels and gypsum board, 2-1/4"	2.95	3.50	4.15	4.95
Wood frame, drywall two sides	1.55	1.85	2.20	2.60
Wood frame, plaster two sides	1.85	2.15	2.55	3.00

PLUMBING — Apply to total floor area or use Section 53 for more detailed cost per fixture. The following costs represent typical ranges only.

	1	2	3	4
Bowling alleys	$ .64	$ .80	$ .99	$1.24
Department stores	1.08	1.39	1.80	2.32
Discount stores	.40	.58	.84	1.22
Markets	.79	1.09	1.49	2.05
Restaurants, drive-in	2.62	3.47	4.60	6.10
Restaurants, table service	2.30	3.40	5.04	7.45
Retail stores	.48	.78	1.26	2.05

SPRINKLERS — Apply to sprinklered area. Costs include all piping but do not include tanks.

5,000 square feet	$ .90	$1.09	$1.33	$1.61
10,000	.80	.96	1.15	1.38
15,000	.75	.89	1.06	1.25
20,000	.71	.85	1.00	1.17
25,000	.68	.81	.95	1.12
30,000	.66	.78	.92	1.07
40,000	.63	.74	.86	1.00
50,000	.61	.71	.83	.95
75,000	.57	.66	.76	.87
100,000	.54	.62	.71	.81
150,000	.50	.58	.66	.74
200,000	.48	.55	.62	.69

HEATING, COOLING AND VENTILATING — Apply to total floor area.

Add or deduct 3% for each foot of variation from 12' average story height.

Costs are given for gas-fired heating surfaces. Add or deduct as follows for other fuels.

Coal stoker for hot air	+10%	Coal, hand-fired	- 10%
Coal stoker for boiler	+10%	Oil-fired	+10%

For restaurants, use cost ranges in Section 13.

Electric, cable or baseboard	$ .88	$1.08	$1.32	$1.61
Electric wall heaters	.41	.47	.54	.62
Forced air	.86	1.10	1.41	1.80
Furnace, floor or wall	.45	.54	.65	.79
Gravity furnace	.72	.87	1.04	1.24
Hot water, baseboard or convectors	1.61	1.97	2.42	2.97
radiant floor	2.10	2.52	3.04	3.66
Space heaters, gas, with fan	.36	.45	.56	.71
steam coil, with boiler	.68	.81	1.00	1.25
steam coil, without boiler	.47	.60	.77	.98
Steam radiator, with boiler	1.31	1.64	2.06	2.59
without boiler	1.05	1.34	1.69	2.15

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FIRE PROTECTION

FIRE PUMP EQUIPMENT

HORIZONTAL SHAFT (CENTRIFUGAL, 100 P.S.I.)

Prices include installation costs, coupling and motor or engine on a steel base, plus relief valve and waste cone. Controller must be added for electric units. Diesel engine costs include battery, trickle charger, coupling and automatic controller. Electric motors are 230/460 volt, 3 phase, 60 Hz.

G.P.M.	H.P.	R.P.M.	ELECTRIC	DIESEL
500	60	1800	$ 7,900	$34,000
750	75	1800	10,000	35,500
1000	100	1800	12,900	37,500
1500	125	1800	15,000	39,000
2000	150	1800	17,000	40,000
2500	200	1800	20,000	42,000

VERTICAL SHAFT (TURBINE, MULTI-STAGE)

The following prices include a vertical electric motor with thrust bearing. Costs for diesel engines include a right angle drive, coupler, metal skid, fuel tank, battery, trickle charger and automatic controller.

G.P.M.	H.P.	R.P.M.	PUMP ONLY	ADD FOR ELECTRIC	ADD FOR DIESEL
500	50	1800	$13,000	$1,650	$22,700
750	75	1800	14,500	2,400	24,500
1000	100	1800	16,500	3,200	26,300
1500	125	1800	18,500	3,900	28,500
2000	150	1800	21,000	4,700	30,500
2500	200	1800	27,000	6,200	35,500

PUMP DRIVERS

Diesel Engines with coupling, skid, battery, fuel tank and battery charger. For horizontal drive.

For 1000 gal, 100 psi Pump	$10,000
For 2000 gal, 100 psi Pump	$14,500

Electric Motors (Squirrel-cage induction, 3 phase, 60 cycle, drip-proof)

VOLTAGE	R.P.M.	HORSEPOWER					
		30	50	75	100	150	200
230-460	1800	$620	$1,050	$1,550	$2,100	$3,150	$4,200

ELECTRIC DRIVE CONTROLLERS

Combined Manual and Automatic, Reduced Voltage

VOLTAGE	AMPS*	HORSEPOWER					
		30	50	75	100	150	200
220	30,000	$ 4,400	$ 5,400	$ 6,600	.....	.....	.....
	75,000	7,900	8,600	9,500	$10,500	$12,900	$15,800
440	25,000	3,500	4,600	5,700	6,700	8,300	9,600
	60,000	6,900	8,200	9,300	10,200	11,600	12,700

*Circuit breaker interrupting capacity.

Combined Manual and Automatic, Across-the-Line

VOLTAGE	AMPS*	HORSEPOWER					
		30	50	75	100	150	200
220	30,000	$ 3,600	$ 4,300	$ 6,000	$ 8,100	.....	.....
	75,000	6,900	7,400	8,000	8,700	$10,200	$12,000
440	25,000	3,200	3,700	4,100	4,500	5,000	5,400
	60,000	6,400	7,000	7,500	7,900	8,400	8,900

*Circuit breaker interrupting capacity.

DIESEL DRIVE CONTROLLERS . . . . . $3,300 to $3,500

FLOW METERS

PUMP SIZE	COST RANGE	PUMP SIZE	COST RANGE
500	$470 - $620	2000	$ 660 - $ 830
750	500 - 650	3000	830 - 1,010
1000	530 - 680	4000	1,040 - 1,230
1500	590 - 750		

SPRINKLER SYSTEMS

Costs per square foot may be found in the Segregated Cost Sections. Refer to the section applicable to the type of building under consideration.

SMOKE AND HEAT ACTUATED ALARM SYSTEMS

Most commercial installations are leased. The costs below represent the installation costs charged to the user.

Commercial base cost $600.00 plus $ .17 per square foot of protected areas.
Residential ionization smoke detectors cost $50.00 to $70.00 installed.

FIRE PROTECTION

FIRE ALARM SYSTEMS

Buildings under 75' height.

Control panel at lobby:	
1 zone	$525
5 zone	600
Pull station	20
Smoke detector	50
Pull station with horn or bell alarm	40

(Use same costs for stations and detectors in buildings over 75' high).

Buildings 75' and above.

Control panel at fire control room (with street access for Fire Department) 75 zones	$3,000
Speakers connected with microphone at control panel	50
Emergency telephone,5 jacks	100
Sprinkler water flow detector	150
Time,date,location printer	3,500
Battery standby system	3,800

CABINETS

Extinguisher Cabinets:
Steel . . $100.00 Aluminum . . $150.00 Stainless Steel . . $250.00

Hose Cabinets:
Steel . . $110.00 Aluminum . . $165.00 Stainless Steel . . $280.00

Hose Houses:
Steel . . $600.00 Aluminum . . $900.00

Inside fire hydrants including 75' of 1-1/2" hose, valve, rack, and nozzle, installed without cabinet, cost $240 to $300.

EXTINGUISHERS

Portable, antifreeze (pressurized), 2-1/2 gal.	$ 75
Portable, water (pressurized), 2-1/2 gal.	60
Carbon Dioxide, with hose and horn, 2-1/2#	63
5#	71
10#	98
20#	145
Carbon Dioxide, wheeled, 50#	625
100#	1,300
Dry chemical, regular types, 2-1/2#	32
5#	37
10#	50
20#	87
30#	155

(For all purpose type, add 10 to 15 percent).

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AIR FOAM SYSTEMS

High Expansion, cubic feet per minute.

5,000 cfm . . $2,000 10,000 cfm . . $3,000 15,000 cfm . . $4,000

Low Expansion, (protein) cost per square foot of tank surface.

TANK SURFACE	FUEL OIL	GASOLINE
500 sq. ft.	$ 3,800	$ 4,200
1,000	4,300	4,900
1,500	4,900	5,700
2,000	5,500	6,600
3,000	7,200	8,900
4,000	9,300	12,000
5,000	12,000	16,000

CARBON DIOXIDE SYSTEMS

FLOODING SYSTEMS
(Cost per cubic foot)

	SMALL (500 cu. ft.)	MEDIUM (3,000 cu.ft.)	LARGE (30,000 cu.ft.)
Standard hazards	$ 1.60	$ 1.15	$ .60
Electric hazards	2.10	1.50	.70
Fur vaults	2.80	1.95	.85

LOCAL APPLICATION
(Cost per square foot)

	SMALL (25 sq. ft.)	MEDIUM (250 sq. ft.)	LARGE (1,000 sq. ft.)
Coated surfaces	$55.00	$36.00	$25.00
Liquid surfaces	75.00	51.00	37.00

HALON 1301 SYSTEMS
(Cost per cubic foot)

Includes ionization detection with approximately 6% total flooding of electrical hazards.

500 cu. ft. . . $4.35 3,000 cu. ft. . . $3.00 30,000 cu. ft. . . $1.20

DRY CHEMICAL SYSTEMS

Restaurant Hood and Duct (25 lb.) . . . . . $600 to $1,200

ALASKA PUBLIC UTILITIES COMMISSION CSHB #648
SB #370

Section 2 of SB 370 and CSHB 648 affects that statute of the Alaska Public Utilities Commission in that it takes the ratemaking powers which have been delegated to the Commission under AS 42.05 and returns them to the legislative arena. The Commission believes that the Legislature should have the following information before it decides what rates, if any, should be charged to a class of utility customers -- in this instance those commercial customers that have installed fire protection systems which use hydraulic sprinklers.

Establishing utility rates is admittedly a complicated process -- it involves determining what utility expenses are reasonable and then allocating those expenses to the classes of consumers that are responsible for the incurrence of those costs. Customers are then charged rates which cover these expenses.

The Commission believes the Legislature should realize that there are expenses directly associated with providing sprinkler service that if not paid by those customers who received the service, i.e., those who have installed sprinklers, will be borne by other customers, namely residential consumers and those commercial customers who have not installed a sprinkler system.

An example of the extent of utility expenses associated with providing water sprinkler service follows: In its last request to the Commission for a permanent rate increase, Central Alaska Utilities, a water utility in Anchorage serving approximately 10,000 customers, allocated $129,000 of its revenue requirement to be recovered from those customers who received sprinkler service. Section 2 of this legislation would require that those utility expenses attributable to provide water sprinkler service would be borne by all customers of the utility. It is interesting to note that if this amount, $129,000, must be recovered from all other CAU customers, it would require a rate increase of approximately $1.00 per month per customer or an annual increase of more than $12.00. The customers of the Anchorage Water Utility and other regulated water utilities providing this service would experience a similar increase. The Commission adds that as with all costs, those associated with providing sprinkler service change as a utility's economic circumstances change, and this number might not hold in a new tariff revision. The Commission also notes that this ratemaking prohibition would not effect the rates that nonregulated municipal water utilities might charge.

One of the questions raised by this legislation is who would provide the revenues needed to, if required, resize a water utility's service line as a result of the installation of sprinkler systems in a commercial building.

The Commission wants the legislature to understand that there are costs currently associated with providing sprinkler service that, if not recovered from the users who benefit from the service, must be borne by all of the utility's customers. This does not even begin to consider the costs that will be generated by new sprinkler customers taking advantage of the "free" service. This may be a social policy that the legislature desires to establish. However, it does depart from the Commission's utility ratemaking philosophy -- that to the most reasonable extent possible, the costs causer should be the cost payer.

NOTICE OF UTILITY TARIFF FILING

The ALASKA PUBLIC UTILITIES COMMISSION hereby gives notice that the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU), a water utility, has filed a tariff revision (TA19-122) which reduces the monthly rates for private fire protection. A comparision of the current and proposed monthly rates follows.

Service Size	Current Rate	Proposed Rate	(*) See Below
2"	$ 7.10	$ 3.46	.18
3"	15.90	7.79	.41
4"	28.45	13.87	.72
6"	63.55	31.20	1.62
8"	112.85	55.49	2.89
10"	176.40	86.69	4.51
12"	254.10	124.85	6.50

More detailed information may be obtained from the utility whose address is 3000 Arctic Blvd., Anchorage, Alaska 99503. The filing may be inspected also at the offices of the Alaska Public Utilities Commission, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska 99501.

Any interested person may file a statement of views favoring or opposing the tariff revisions proposed by AWU with the Commission at 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska 99501 on or before February 2, 1979. This statement should clearly affirm that the interested person has filed a true copy of it with AWU, 3000 Arctic Blvd., Anchorage, Alaska 99503 as required by the Alaska Administrative Code.

DATED at Anchorage, Alaska this 9th day of January, 1979.

ALASKA PUBLIC UTILITIES COMMISSION

Russell N. Staley
Acting Executive Director

(*) Filed by Julian Mason, Counsel for Western Enterprises and Jim Faiks, (Western) who stated in part,

> "Pending hearings on the revised tariff, counsel for Western held several meetings with AWU and its attorney. During those meetings, it was disclosed that AWU anticipated making an additional amendment to its tariff filing which would reduce the rates for sprinklered buildings to only 2.5% of their current level. Copies of the existing and proposed tariffs are attached as Exhibit 'A'."

Mr. Mason's complete statement (filing), from which this quotation is extracted, is attached.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (UPDATE)

I. REQUEST
Bill/Resolution No. SB 370
Title Exempting value for Fire Equipment Systems in Real Property
Requested by Senator Sturgulewsky Date 4-1-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Local Government Assistance - State Assessor
BRU, Program, or Subprogram(s) Affected Development
(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.		125.5	135.5	146.4	158.1	170.7
TOTAL		125.5	135.5	146.4	158.1	170.7

FUNDING (Thousands of Dollars)

GENERAL FUND		125.5	135.5	146.4	158.1	170.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The fiscal note for SB 370 is based upon the anticipation of State reimbursement to municipalities for revenue lost by the operation of SB 370. The dollar amounts shown were based upon the following information. The annual increase is estimated at 8% for property value inflation.

IV. DATE 4-1-80 PREPARED BY Steve Van Sant SVS
AGENCY Community & Regional Affairs
PHONE 465-4787

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

33-001 (Rev. 12/79)

FISCAL NOTE - Continued SB 370

Estimated Revenue Lost By Municipalities By SB 370

Municipality	Comm. Property Value	Est. % w/Fire P. Syst.	Value Prop. w/FPS
Anchorage	$ 452,755,434	55%	$ 249,015,489
Fairbanks	96,920,074	40%	38,768,030
Juneau	106,867,300	60%	64,120,380
Ketchikan	51,299,887	40%	20,519,955
TOTAL	$ 707,842,695		$ 372,423,824

Prop. w/FPS @ 2%		Mill Rate	Revenue Lost
Anchorage - $4,980,310	@	13.79	$ 68,700
Fairbanks - 775,361	@	15.68	12,200
Juneau - 1,282,408	@	12.95	16,600
Ketchikan - 410,800	@	16.00	6,600
			$104,100
Est. Cities revenue lost		+	$ 10,000
			$114,100
Est. 10% error factor		+	$ 11,400
			$125,500

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO Marie Pignalberi
Deputy Commissioner

DATE: March 10, 1980

FILE NO:

THRU: Palmer McCarter
Director

TELEPHONE NO:

FROM Steve Van Sant
Assistant State Assessor

SUBJECT: Comments on SB 370

This is a followup of the memorandum dated 3/5/80 to Deputy Commissioner Marie Pignalberi regarding concerns on SB 370.

Upon obtaining more information and talking with some of the assessors in the state, we would like to add the following information:

1. According to Anchorage Assessor, Pat McKee, this bill would be almost impossible for him to administer. The reason being that Anchorage does not value commercial property (where most fire protection equipment exists) by the cost approach, but by the income approach. The income approach is simply estimating market value by the income a building is capable of making. For example, assume there are two motels in Anchorage, side by side, and both were very similar. Further assume that one had sprinklers and the other one did not. The estimated value of one motel would probably be within 1%-5% of the value of the other, assuming the room rents were comparable. In this instance, there would be no value given on fire protection equipment, therefore, it would be very difficult to conform with SB 370.

2. As stated in our previous memorandum, we are concerned as to what value the assessor is expected to exempt, cost of equipment, cost of equipment and labor, or estimated market value. If it is to be the cost of the equipment, would the assessor take the actual cost to the owner, or the average cost to any property in general?

3. This bill does not require reimbursement by the state for revenues lost to the municipality by the implementation of this bill.

4. The property owner in the unorganized borough who plans to install fire protection equipment would not realize any incentive under this program (and, in our minds, if the bill is to be an incentive for installation of fire suppression systems, rural Alaska or the unorganized borough is where the greatest need exists).

ALTERNATIVE 1

Only Muni's

For your information, we have attached pages from the "Marshall Valuation Service". This valuation service is used world wide by many assessors. Nearly all assessors in Alaska who value commercial property by the cost approach utilize this guide.

On one of the pages, it indicates that the approximate portion of the total cost for "sprinklers" in an office building is 1.9%.

If it is the intent of the legislature to pass a bill whereby the incentive is an exemption of property taxes, the Department would suggest amendments to SB 370 as follows:

1. Remove this exemption from AS 29.53.060 (Full and True Value) and place it in AS 29.53.020 (Required Exemptions).

2. State the amount to be exempted if a structure does have fire protection equipment. This could be done easily by stating, "The exempted amount of this exemption shall be 2% of the full and true value of the building as determined by the assessor under AS 29.53.060."

3. The state should reimburse the municipality any revenue lost to it by the implementation of this bill.

4. There should be a time limit of three years placed upon the exemption This would allow time for the taxpayer to amortize his investment, but not be an on-going give away program.

5. Existing structures could be granted the same 2% exemption for three years to be equitable. (Although, again, if the intent is to encourage installation of a fire suppression system, only new structures should be included in the bill).

Alternative 2

If the intent of SB 370 is to offer incentives to property owners planning new construction and encourage the inclusion of fire protection systems in new structures, the Department suggests that a program similar to the following be considered.

For equity proposes, the state would adopt a normal cost schedule for fire protection systems. An example of such a cost schedule is presented in the attachments, page No. 2 from the Marshall Valuation Service. In conjunction with this schedule, Marshall Valuation Service also provides "local multipliers" which bring the normal cost schedule

into line with costs in Alaska. The local multiplier for the schedule is 1.97.

After adoption of a schedule, the Department could then compute the "normal cost" of a fire protection system by applying the schedule to each structure which applied for the program. For example, if an application were received for a 10,000 sq. ft. building, the normal costs would be obtained as follows:

10,000 sq.ft. X $1.15 X 1.97 = $22,655.00

After the normal costs were calculated, the incentive program would offer a grant to the property owner of 5% of the computed normal cost. Therefore, the property owner would receive $1132.75 ($22,655 X 5%) from the state. The normal costs could be updated on an annual basis to reflect current estimated normal costs.

Attachments

GENERAL INFORMATION

PERCENTAGE BREAKDOWN

The percentages below indicate the approximate portion of the total cost attributable to each component in a typical modern 12-story Class A office building of average size and quality, not including financing costs.

AVERAGE MULTISTORY OFFICE BUILDING

Plans, engineering, and supervision	6.2%
Clearing, excavation, and foundation	2.7%
Steel frame and decking	13.4%
Miscellaneous steel	1.0%
Heating and air conditioning	12.9%
Air conditioning enclosures	.5%
Plumbing	4.5%
Sprinklers	1.9%
Electrical, including fixtures	9.3%
Elevators, conveying systems	4.9%
Metal wall panels and insulation	5.3%
Masonry backup and partitions	3.0%
Frame and drywall partitions	3.7%
Sash and glazing	3.0%
Plaster and furring	2.0%
Doors, door frames, and hardware	.6%
Concrete floors and roof	7.5%
Roofing and roof insulation	.3%
Resilient floor coverings	1.2%
Carpeting	1.2%
Acoustical ceilings, suspended	2.5%
Painting	.8%
Marble, tile, and terrazzo	.4%
Miscellaneous carpentry, finish, and cleanup	1.0%
Miscellaneous, unclassified	.8%
General contractor's overhead and profit	9.4%
TOTAL	100.0%

The 9.4 percent listed for general contractor's overhead and profit is the percentage of total cost. This is the equivalent of 11.1 percent of labor, material, and subcontracts, excluding plans, engineering and architect's supervision.

FLOOR LOADS

The following are typical live floor loads of some of the buildings used in determining cost averages. A majority of the buildings will have more than one design floor load to accommodate various uses. Thus, a hotel will be designed for heavy floor loads in halls and public areas and lighter floor loads in room areas, and banks will need heavier floors in computer and equipment rooms than in office areas.

The listed loads are typical of design specifications of a number of buildings built or under construction during recent years.

OCCUPANCY	POUNDS PER SQUARE FEET	
Apartments and dormitories	40	(plus 20 lbs. of partitions)
Auditoriums and churches	100	(60 for fixed seating)
Banks	100	(150 lbs. in equipment floors)
Computer and equipment floors	150	
Dwellings	40	
Governmental buildings	80	(125 lbs. in equipment rooms)
Gymnasiums	100	(150 lbs. for drill floors)
Hospitals	50	(100 lbs. in corridors)
Hotels and clubs	50	(100 lbs. in public areas)
Libraries	60	(150 lbs. in stack areas)
Light industrials and garages	100	(50 lbs. in office areas)
Medium industrials	150	(50 lbs. in office areas)
Heavy industrials	200	(and up, 60 lbs. in office areas)
Lofts	100	(50 lbs. in office areas)
Low cost offices	50	(125 lbs. in equipment rooms)
Average offices	50	(150 lbs. in equipment rooms)
Good offices	60	(150 lbs. in equipment rooms)
Excellent offices	80	(175 lbs. in equipment rooms)
Restaurants	100	(150 lbs. in kitchen areas)
Schools	50	(100 lbs. in corridors)
Stores	100	(125 lbs. in appliance floors)
Theaters	80	(150 lbs. for stage floors)
Warehouses - light	100	
- medium	150	
- heavy	200	(and up)

STORES AND COMMERCIAL BUILDINGS

(SEGREGATED COST METHOD)

INTERIOR CONSTRUCTION — Table I is based on averages for several types of occupancies not including furniture, fixtures, and equipment. Table II gives costs based on a square foot of partition area and may be used when a more detailed analysis is desired. For additional interior and partition costs, see Section 52. For fixture and equipment costs, see Section 65.

TABLE I. Apply to total floor area. Add or deduct 5% for each foot of variation from 12' average story height.

FRAME INTERIOR PARTITIONS	1	2	3	4
Bowling alleys (excluding alleys and equipment)	$ .77	$ .92	$1.09	$1.30
Department stores	1.94	2.54	3.32	4.34
Discount stores	.56	.70	.88	1.11
Markets	.89	1.02	1.17	1.35
Restaurants, drive-in	2.80	3.79	5.12	6.92
Restaurants, table service	2.48	3.83	5.91	9.12
Retail stores	.82	1.17	1.66	2.37

MASONRY INTERIOR PARTITIONS				
Bowling alleys (excluding alleys and equipment)	$ .95	$1.12	$1.32	$1.56
Department stores	2.19	2.85	3.72	4.81
Discount stores	.74	.90	1.10	1.35
Markets	1.08	1.23	1.39	1.58
Restaurants, drive-in	3.18	4.25	5.69	7.61
Restaurants, table service	2.92	4.42	6.70	10.05
Retail stores	1.02	1.43	2.00	2.80

TABLE II Apply to square feet of partition area. Costs include doors and openings. Do not use these costs if Table I is used.

Acoustic accordion partitions	$10.00	$13.75	$19.00	$26.00
Gypsum block	1.75	2.25	2.95	3.80
Masonry, tile or concrete block	2.00	2.60	3.45	4.50
Metal partitions	4.65	5.80	7.20	9.00
Metal and glass	5.20	6.40	7.90	9.75
Steel studs and gypsum board	1.90	2.25	2.65	3.10
Steel studs and plaster	2.25	2.60	3.05	3.55
Steel channels and gypsum board, 2-1/4"	2.95	3.50	4.15	4.95
Wood frame, drywall two sides	1.55	1.85	2.20	2.60
Wood frame, plaster two sides	1.85	2.15	2.55	3.00

PLUMBING — Apply to total floor area or use Section 53 for more detailed cost per fixture. The following costs represent typical ranges only.

	1	2	3	4
Bowling alleys	$ .64	$ .80	$ .99	$1.21
Department stores	1.08	1.39	1.80	2.32
Discount stores	.40	.58	.84	1.22
Markets	.79	1.09	1.49	2.05
Restaurants, drive-in	2.62	3.47	4.60	6.10
Restaurants, table service	2.30	3.40	5.04	7.45
Retail stores	.48	.78	1.26	2.05

SPRINKLERS — Apply to sprinklered area. Costs include all piping but do not include tanks.

5,000 square feet	$ .90	$1.09	$1.33	$1.61
10,000	.80	.96	1.15	1.38
15,000	.75	.89	1.06	1.25
20,000	.71	.85	1.00	1.17
25,000	.68	.81	.95	1.12
30,000	.66	.78	.92	1.07
40,000	.63	.74	.86	1.00
50,000	.61	.71	.83	.95
75,000	.57	.66	.76	.87
100,000	.54	.62	.71	.81
150,000	.50	.58	.66	.74
200,000	.48	.55	.62	.69

HEATING, COOLING AND VENTILATING — Apply to total floor area.

Add or deduct 3% for each foot of variation from 12' average story height.

Costs are given for gas-fired heating surfaces. Add or deduct as follows for other fuels.

Coal stoker for hot air	+10%	Coal, hand-fired	-10%
Coal stoker for boiler	+10%	Oil-fired	+10%

For restaurants, use cost ranges in Section 13.

Electric, cable or baseboard	$ .88	$1.08	$1.32	$1.61
Electric wall heaters	.41	.47	.54	.62
Forced air	.86	1.10	1.41	1.80
Furnace, floor or wall	.45	.54	.65	.79
Gravity furnace	.72	.87	1.01	1.21
Hot water, baseboard or convectors	1.61	1.97	2.42	2.97
radiant floor	2.10	2.52	3.04	3.66
Space heaters, gas, with fan	.36	.45	.56	.71
steam coil, with boiler	.68	.81	1.00	1.25
steam coil, without boiler	.47	.60	.77	.98
Steam radiator, with boiler	1.31	1.64	2.06	2.59
without boiler	1.05	1.34	1.69	2.15

FIRE PROTECTION

FIRE PUMP EQUIPMENT

HORIZONTAL SHAFT (CENTRIFUGAL, 100 P.S.I.)

Prices include installation costs, coupling and motor or engine on a steel base, plus relief valve and waste cone. Controller must be added for electric units. Diesel engine costs include battery, trickle charger, coupling and automatic controller. Electric motors are 230/460 volt, 3 phase, 60 Hz.

G.P.M.	H.P.	R.P.M.	ELECTRIC	DIESEL
500	60	1800	$ 7,900	$34,000
750	75	1800	10,000	35,500
000	100	1800	12,900	37,500
500	125	1800	15,000	39,000
000	150	1800	17,000	40,000
500	200	1800	20,000	42,000

VERTICAL SHAFT (TURBINE, MULTI-STAGE)

The following prices include a vertical electric motor with thrust bearing. Costs for diesel engines include a right angle drive, coupler, metal skid, fuel tank, battery, trickle charger and automatic controller.

G.P.M.	H.P.	R.P.M.	PUMP ONLY	ADD FOR ELECTRIC	ADD FOR DIESEL
500	50	1800	$13,000	$1,650	$22,700
750	75	1800	14,500	2,400	24,500
000	100	1800	16,500	3,200	26,300
500	125	1800	18,500	3,900	28,500
000	150	1800	21,000	4,700	30,500
500	200	1800	27,000	6,200	35,500

PUMP DRIVERS

Diesel Engines with coupling, skid, battery, fuel tank and battery charger. For horizontal drive.

For 1000 gal, 100 psi Pump	$10,000
For 2000 gal, 100 psi Pump	$14,500

Electric Motors (Squirrel-cage induction, 3 phase, 60 cycle, drip-proof)

VOLTAGE	R.P.M.	HORSEPOWER					
		30	50	75	100	150	200
230-460	1800	$620	$1,050	$1,550	$2,100	$3,150	$4,200

ELECTRIC DRIVE CONTROLLERS

Combined Manual and Automatic, Reduced Voltage

VOLTAGE	AMPS*	HORSEPOWER					
		30	50	75	100	150	200
220	30,000	$ 4,100	$ 5,400	$ 6,600	.....	.....	.....
	75,000	7,900	8,600	9,500	$10,500	$12,900	$15,800
440	25,000	3,500	4,600	5,700	6,700	8,300	9,600
	60,000	6,900	8,200	9,300	10,200	11,600	12,700

*Circuit breaker interrupting capacity.

Combined Manual and Automatic, Across-the-Line

VOLTAGE	AMPS*	HORSEPOWER					
		30	50	75	100	150	200
220	30,000	$ 3,600	$ 4,300	$ 6,000	$ 8,100	.....	.....
	75,000	6,900	7,400	8,000	8,700	$10,200	$12,000
440	25,000	3,200	3,700	4,100	4,500	5,000	5,400
	60,000	6,400	7,000	7,500	7,900	8,100	8,900

*Circuit breaker interrupting capacity.

DIESEL DRIVE CONTROLLERS . . . . . $3,300 to $3,500

FLOW METERS

PUMP SIZE	COST RANGE	PUMP SIZE	COST RANGE
500	$470 - $620	2000	$ 660 - $ 830
750	500 - 650	3000	830 - 1,010
1000	530 - 680	4000	1,010 - 1,230
1500	590 - 750		

SPRINKLER SYSTEMS

Costs per square foot may be found in the Segregated Cost Sections. Refer to the section applicable to the type of building under consideration.

SMOKE AND HEAT ACTUATED ALARM SYSTEMS

Most commercial installations are leased. The costs below represent the installation costs charged to the user.

Commercial base cost $600.00 plus $ .17 per square foot of protected areas.
Residential ionization smoke detectors cost $50.00 to $70.00 installed.

FIRE PROTECTION

FIRE ALARM SYSTEMS

Buildings under 75' height.

Control panel at lobby:	
1 zone	$525
5 zone	600
Pull station	20
Smoke detector	50
Pull station with horn or bell alarm	40

(Use same costs for stations and detectors in buildings over 75' high).

Buildings 75' and above.

Control panel at fire control room (with street access for Fire Department) 75 zones	$3,000
Speakers connected with microphone at control panel	50
Emergency telephone,5 jacks	100
Sprinkler water flow detector	150
Time,date,location printer	3,500
Battery standby system	3,800

CABINETS

Extinguisher Cabinets:
Steel . . $100.00 Aluminum . . $150.00 Stainless Steel . . $250.00

Hose Cabinets:
Steel . . $110.00 Aluminum . . $165.00 Stainless Steel . . $280.00

Hose Houses:
Steel . . $600.00 Aluminum . . $900.00

Inside fire hydrants including 75' of 1-1/2" hose, valve, rack, and nozzle, installed without cabinet, cost $240 to $300.

EXTINGUISHERS

Portable, antifreeze (pressurized), 2-1/2 gal.	$ 75
Portable, water (pressurized), 2-1/2 gal.	60
Carbon Dioxide, with hose and horn, 2-1/2#	63
5#	71
10#	98
20#	115
Carbon Dioxide, wheeled, 50#	625
100#	1,300
Dry chemical, regular types, 2-1/2#	32
5#	37
10#	50
20#	87
30#	155

(For all purpose type, add 10 to 15 percent).

AIR FOAM SYSTEMS

High Expansion, cubic feet per minute.

5,000 cfm . . $2,000 10,000 cfm . . $3,000 15,000 cfm . . $4,000

Low Expansion, (protein) cost per square foot of tank surface.

TANK SURFACE	FUEL OIL	GASOLINE
500 sq. ft.	$ 3,800	$ 4,200
1,000	4,300	4,900
1,500	4,900	5,700
2,000	5,500	6,600
3,000	7,200	8,900
4,000	9,300	12,000
5,000	12,000	16,000

CARBON DIOXIDE SYSTEMS

FLOODING SYSTEMS
(Cost per cubic foot)

	SMALL (500 cu. ft.)	MEDIUM (3,000 cu.ft.)	LARGE (30,000 cu.ft.)
Standard hazards	$ 1.60	$ 1.15	$ .60
Electric hazards	2.10	1.50	.70
Fur vaults	2.80	1.95	.85

LOCAL APPLICATION
(Cost per square foot)

	SMALL (25 sq. ft.)	MEDIUM (250 sq. ft.)	LARGE (1,000 sq. ft.)
Coated surfaces	$55.00	$36.00	$25.00
Liquid surfaces	75.00	51.00	37.00

HALON 1301 SYSTEMS
(Cost per cubic foot)

Includes ionization detection with approximately 6% total flooding of electrical hazards.

500 cu. ft. . . $1.35 3,000 cu. ft. . . $3.00 30,000 cu. ft. . . $1.20

DRY CHEMICAL SYSTEMS

Restaurant Hood and Duct (25 lb.) . . . . . $600 to $1,200

MARSHALL VALUATION SERVICE
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STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	))))))	U-79-14

DEC 17 A.P.U.C.

MOTION TO ELIMINATE RETROACTIVELY TO JANUARY 2, 1979, THE PRIVATE FIRE PROTECTION CHARGES, CONTAINED IN THE TARIFF OF THE ANCHORAGE WATER UTILITY

The tariff of the Anchorage Water Utility ("AWU") contains a provision under which AWU levies a charge, in addition to the regular monthly charge, for service to buildings which contain sprinkler systems. The reasonableness of and justification for this charge have been hotly contested for several years by the owners of sprinklered buildings.

On January 2, 1979, the Anchorage Water Utility filed a tariff revision in which it proposed to reduce the charge for sprinklered buildings. That tariff filing was suspended by the Commission and hearings were scheduled. Western Enterprises and Jim Faiks ("Western") petitioned to intervene in the proceedings and their petition was granted. Western owns or represents the owners of a number of sprinklered buildings. Western and AWU agreed to attempt to resolve the dispute through negotiation and the Commission approved a stipulation extending certain deadlines.

Pending hearings on the revised tariff, counsel for Western held several meetings with AWU and its attorney. During those meetings, it was disclosed that AWU anticipated making an additional amendment to its tariff filing which would reduce the rates for sprinklered buildings to only 2.5% of their current level. Copies of the existing and proposed tariffs are attached as Exhibit "A." Based on that representation,

DUNN, BAILY and MASON
LAWYERS
LOUSSAC-SOGN BUILDING
420 D STREET
ANCHORAGE, AK 99501
(907) 276-4331

Western stipulated to a continuance of the scheduled hearings and an additional suspension period. However, AWU was unable to file the tariff on the stipulated date and Western agreed to an additional extension of time which the Commission approved in Order No. 5.

Shortly before the expiration of the most recent deadline, counsel for Western was notified by Mr. Peter Argetsinger, attorney for AWU, that AWU would be unable to file the tariff as planned for a variety of reasons. While the recited reasons are not directly relevant to this motion, the Commission should be aware that Mr. Argetsinger indicated that, while AWU agrees with Western that the tariff is wrong and must be lowered substantially, no decision has been made by the Municipality as to exactly what the tariff should be.

During the course of negotiations since the filing of the original amendment to the tariff, it has become absolutely clear that the present tariff contains rates which are many times higher than they should be.[1/] AWU has orally expressed a willingness to absorb any revenues which will be lost by eliminating the charge altogether until such time as it decides to file a new tariff. Under those circumstances, it is not reasonable for AWU's customers to continue to pay rates which the utility acknowledges are inappropriate and unreasonable. Therefore, Western respectfully asks that the private fire protection portion (i.e.,Schedule E, page 51) of the AWU tariff be eliminated retroactively to January 2, 1979. This motion, if granted, will require AWU to refund those charges, if any, which it has collected for private fire protection since January 2, 1979.[2/]

1/ Western's position has always been that the surcharge for sprinklered buildings is inappropriate, discriminatory, and unjustifiable. AWU disagrees but has acknowledged that the present rates are approximately 40 times what they should be. The second revision of the tariff (which was never filed) contained rates which were about 2.5% of the current rates.

2/ Many of the customers of AWU have refused to pay the charge. Western has escrowed the disputed charge.

DUNN, BAILY and MASON
LAWYERS
LOUSSAC-SOGN BUILDING
420 D STREET
ANCHORAGE, AK 99501
(907) 276-4331

There is ample authority to support granting of this motion. AS 42.05.381 (a) requires that all rates be "just and reasonable." AS 42.05.391 (a) prohibits a utility from subjecting a customer to "an unreasonable prejudice or disadvantage." The present tariff rates are so high that they are unreasonable and Western is being disadvantaged and prejudiced by those rates. Therefore, it is inappropriate and a violation of the statutes cited above to continue the present rates. Since AWU cannot decide what rates it wants, the proper action is to eliminate the rates entirely until AWU makes its decision and files a new tariff.

Respectfully submited this 13 day of December 1979.

Julian L. Mason

Julian L. Mason

DUNN, BAILY and MASON
LAWYERS
LOUSSAC SOGN BUILDING
429 D STREET
ANCHORAGE, AK 99501
(907) 276-4331

II. SERVICE CHARGES (Cont'd)

Schedule E - Private fire protection (cont'd)

Service Size	Monthly Rate	
2"	$ .18	(R)
3"	.41	(R)
4"	.72	(R)
6"	1.62	(R)
8"	2.89	(R)
10"	4.51	(R)
12"	6.50	(R)

Schedule F - Bulk water sales

All bulk water sales will be handled by special contracts.

Tariff Advice No. 19-122 Effective:

Issued by: Anchorage Water Utility

By: J. L. HARSHMAN, P.E. Title: General Manager

Chron - Exhibit 3 - 9 pg

ANCHORAGE WATER UTILITY

SUMMARY OF COST ALLOCATION FACTORS

Data	Total	Residential	Commercial and industrial: Metered	Commercial and industrial: Unmetered	Commercial and industrial: Special (construction)	Fire protection: Public	Fire protection: Private	Bulk sales CAU
1. Annual water production charged to each class (1) (mg)	5,484.0	1,676.0	2,173.6	1,498.7	135.7	-	-	-
2. Capacity (mgd) (2) (peak day)	27.20	7.29	8.05	7.74	1.02	1.27	1.27	.56
3. Number of customers, total (3)	14,897	11,649	1,611	1,484	153	-	-	-
4. Number of metered customers	1,611	-	1,611	-	-	-	-	-
5. Number of metered customers, weighted by meter size								
6. Fire protection hydrants	2,300					1,800	500	
Allocation factors								
1. Annual consumption - Same factor	1.0000	.3056	.3964	.2733	.0247	-	-	-
2. Capacity	1.0000	.2044	.4025	.2463	.0651	.0335	.0335	.0147
3. Number of customers, total	1.0000	.7820	.1081	.0996	.0103	-	-	-
4. Number of metered customers	1.0000	-	1.0000	-	-	-	-	-
5. Number of metered customers, weighted by size	1.0000	-	1.0000	-	-	-	-	-
Composite factors								
5. Line 1, 20% (4) Consumption	.2000	.0611	.0793	.0547	.0049			
Line 2, 80% Demand	.8000	.1635	.3220	.1970	.0521			
	1.0000	.2246	.4013	.2517	.0570	.0268	.0268	.0118
7. Fire protection - Hydrants						.7826(5)	.2174(5)	-
8. Line 2, 50% (6)	.5000	.1022	.2013	.0232	.0326	.0167	.0167	.0073
Line 3, 50%	.5000	.3910	.0541	.0498	.0051	-	-	-
	1.0000	.4932	.2554	.1730	.0377	.0167	.0167	.0073

(1) Line 6 - page 2 of 2, Schedule B5
(2) Line 15 - page 2 of 2, Schedule B5
(3) Schedule C
(4) The needs of AWU are concentrated in the lack of capacity to satisfy peak demands
(5) Column total ÷ system total
(6) Reflects the demands placed on customer service by those customers with the greatest diversity of demand characteristics

TOUCHE ROSS & CO.

Bobbi Rogers
from Gordon Gerbetz

WATER UTILITIES
(December 31, 1977) — as of end of '78

UTILITY	NET PLANT	REVENUES GROSS	REVENUES NET	USERS
CLASS A				
Anchorage, Municipality of	$32,780,037	$5,862,718	$1,553,524	15,900
Central Alaska Utilities, Inc.	17,804,414	2,172,929	476,960	9,931
College Utilities Corp.	4,541,435	624,733	173,007	996
TOTAL - Class A	$55,125,886	$8,660,380	$2,203,491	26,827
CLASS B				
Barrow Utilities & Electric Cooperative	$963,094	$478,446	($71,627)	7
CLASS C				
Alyeska Utilities, Inc.	$155,338	$ 55,631	$ 8,196	245
Dawn Development Corp.	Annual Report Not Received			
S & S Development	320,203	69,303	7,857	456
TOTAL - Class C	$475,541	$124,934	$16,053	701
CLASS D				
Bell Utilities & Development, Inc.	$ 443,739	$ 41,500	$18,459	140
Eagle River Heights Utilities, Inc. year ended 6/30/77	153,593	28,821	5,393	173
Glacier Utilities, Inc.	297,249	20,759	(17,912)	231
McGahan Utilities, Inc.	Annual Report Not Received			

JAY S HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BUSINESS LOANS

Phone: 465-2510

POUCH D
JUNEAU, ALASKA 99811

The Division of Business Loans is not opposed to making loans for fire prevention equipment. It does, indeed, make them right now. The division is opposed to giving preferential treatment to certain types of loans. The installation of fire prevention equipment could mean preventing loss of life or property, but the same could be said of repairs to the hull of a fishing boat or repairs to the foundation of a store building or the purchase of new engines for an airplane. We get applications for those types of loans, too.

We are presently backlogged 16 weeks on applications. That's 16 weeks from the date the loan is received until the applicant receives a yes or no answer. The backlog increases as the difference increases between our fixed interest rate and the bank's rising rates. It is very difficult to justify putting off an applicant who has waited 16 weeks for an answer because we have to stop and work on a new application just received.

Preferential treatment of loans is difficult because:

1. With the current 16-week backlog, loans are not studied until many weeks after they are received. They are merely stamped and logged in and filed until a loan examiner finishes with those applications which came in before it. It would take a change in procedures and a sudden increase of the backlog if we were to, with the present staff, stop processing loans to read all incoming applications. In spite of our best efforts to provide forms which should make the use of loan proceeds evident, applicants often go out of their way to make it obscure.

2. Several bills have been introduced which require preferential treatment for certain types of loans. (Examples: fish holds, energy-related loans.) Preference isn't preference anymore if the volume of preference work is too great, and it may mean never getting to the run-of-the-mill loans if the preferred loans increase in quantity.

3. Almost all applicants have reasons for needing preferential treatment. Fishermen need to get their boats purchased or repaired before fishing season. Contractors need their new

equipment before the building season. Tourism facilities have to be ready for the tourist season. Child care facilities have to make mandated repairs or lose their licenses. Very few applicants are requesting something which isn't needed right now.

4. Many applicants for loans have signed earnest money agreements for the purchase of the item for which the loan proceeds are to be used. Their earnest money agreements nearly always have time limits, and forfeiture of thousands of dollars may result if no answer is received on the loan. Certainly this is also a request which should be given preference, if preferential treatment was available.

ST/s122M

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS LOANS

Phone: 465-2510
POUCH D
JUNEAU, ALASKA 99811

March 20, 1980

Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

It would appear that the addition to AS 45.95.020 contained in SB 370 is not necessary, as an applicant can have any number of small business loans, providing that they do not total more than $500,000. If the intent of that paragraph was to allow a loan that brought the total to more than $500,000, then it would have to be worded to allow that.

As written in the original SB 370, the paragraph could be construed to mean that the commissioner could not disqualify the applicant if we had previously foreclosed on a loan to him or if he was delinquent on an existing loan. I doubt that this is the intent of the paragraph, so if you want to include something regarding the amounts allowed, you would want to be more specific in the wording.

Thank you for the opportunity to comment on the bill.

Very truly yours,

Sharon Traylor

Sharon Traylor
Director

ST/sa4/1

08-H3LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (UPDATE)

I. REQUEST
Bill/Resolution No. SB 370
Title Exempting value for Fire Equipment Systems in Real Property
Requested by Senator Sturgulewsky Date 4-1-80

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Local Government Assistance - State Assessor
BRU, Program, or Subprogram(s) Affected Development
(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.		125.5	135.5	146.4	158.1	170.7
	TOTAL		125.5	135.5	146.4	158.1	170.7

FUNDING (Thousands of Dollars)

GENERAL FUND		125.5	135.5	146.4	158.1	170.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The fiscal note for SB 370 is based upon the anticipation of State reimbursement to municipalities for revenue lost by the operation of SB 370. The dollar amounts shown were based upon the following information. The annual increase is estimated at 8% for property value inflation.

IV. DATE 4-1-80 PREPARED BY Steve Van Sant SVS
AGENCY Community & Regional Affairs
PHONE 465-4787

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

33-001 (Rev. 12/79)

FISCAL NOTE - Continued SB 370

Estimated Revenue Lost By Municipalities By SB 370

Municipality	Comm. Property Value	Est. % w/Fire P. Syst.	Value Prop. w/FPS
Anchorage	$ 452,755,434	55%	$ 249,015,489
Fairbanks	96,920,074	40%	38,768,030
Juneau	106,867,300	60%	64,120,380
Ketchikan	51,299,887	40%	20,519,955
TOTAL	$ 707,842,695		$ 372,423,824

Prop. w/FPS @ 2%		Mill Rate	Revenue Lost
Anchorage -	$4,980,310	@ 13.79	$ 68,700
Fairbanks -	775,361	@ 15.68	12,200
Juneau -	1,282,408	@ 12.95	16,600
Ketchikan -	410,800	@ 16.00	6,600
			$104,100
	Est. Cities revenue lost	+	$ 10,000
			$114,100
	Est. 10% error factor	+	$ 11,400
			$125,500

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO Marie Pignalberi
Deputy Commissioner

DATE: March 10, 1980

FILE NO:

THRU: Palmer McCarter
Director

TELEPHONE NO:

FROM Steve Van Sant
Assistant State Assessor

SUBJECT: Comments on SB 370

This is a followup of the memorandum dated 3/5/80 to Deputy Commissioner Marie Pignalberi regarding concerns on SB 370.

Upon obtaining more information and talking with some of the assessors in the state, we would like to add the following information:

1. According to Anchorage Assessor, Pat McKee, this bill would be almost impossible for him to administer. The reason being that Anchorage does not value commercial property (where most fire protection equipment exists) by the cost approach, but by the income approach. The income approach is simply estimating market value by the income a building is capable of making. For example, assume there are two motels in Anchorage, side by side, and both were very similar. Further assume that one had sprinklers and the other one did not. The estimated value of one motel would probably be within 1%-5% of the value of the other, assuming the room rents were comparable. In this instance, there would be no value given on fire protection equipment, therefore, it would be very difficult to conform with SB 370.

2. As stated in our previous memorandum, we are concerned as to what value the assessor is expected to exempt, cost of equipment, cost of equipment and labor, or estimated market value. If it is to be the cost of the equipment, would the assessor take the actual cost to the owner, or the average cost to any property in general?

3. This bill does not require reimbursement by the state for revenues lost to the municipality by the implementation of this bill.

4. The property owner in the unorganized borough who plans to install fire protection equipment would not realize any incentive under this program (and, in our minds, if the bill is to be an incentive for installation of fire suppression systems, rural Alaska or the unorganized borough is where the greatest need exists).

ALTERNATIVE 1

Only Mines

For your information, we have attached pages from the "Marshall Valuation Service". This valuation service is used world wide by many assessors. Nearly all assessors in Alaska who value commercial property by the cost approach utilize this guide.

On one of the pages, it indicates that the approximate portion of the total cost for "sprinklers" in an office building is 1.9%.

If it is the intent of the legislature to pass a bill whereby the incentive is an exemption of property taxes, the Department would suggest amendments to SB 370 as follows:

1. Remove this exemption from AS 29.53.060 (Full and True Value) and place it in AS 29.53.020 (Required Exemptions).

2. State the amount to be exempted if a structure does have fire protection equipment. This could be done easily by stating, "The exempted amount of this exemption shall be 2% of the full and true value of the building as determined by the assessor under AS 29.53.060."

3. The state should reimburse the municipality any revenue lost to it by the implementation of this bill.

4. There should be a time limit of three years placed upon the exemption. This would allow time for the taxpayer to amortize his investment, but not be an on-going give away program.

5. Existing structures could be granted the same 2% exemption for three years to be equitable. (Although, again, if the intent is to encourage installation of a fire suppression system, only new structures should be included in the bill).

Alternative 2

If the intent of SB 370 is to offer incentives to property owners planning new construction and encourage the inclusion of fire protection systems in new structures, the Department suggests that a program similar to the following be considered.

For equity proposes, the state would adopt a normal cost schedule for fire protection systems. An example of such a cost schedule is presented in the attachments, page No. 2 from the Marshall Valuation Service. In conjunction with this schedule, Marshall Valuation Service also provides "local multipliers" which bring the normal cost schedule

into line with costs in Alaska. The local multiplier for the schedule is 1.97.

After adoption of a schedule, the Department could then compute the "normal cost" of a fire protection system by applying the schedule to each structure which applied for the program. For example, if an application were received for a 10,000 sq. ft. building, the normal costs would be obtained as follows:

10,000 sq.ft. X $1.15 X 1.97 = $22,655.00

After the normal costs were calculated, the incentive program would offer a grant to the property owner of 5% of the computed normal cost. Therefore, the property owner would receive $1132.75 ($22,655 X 5%) from the state. The normal costs could be updated on an annual basis to reflect current estimated normal costs.

Attachments

GENERAL INFORMATION

PERCENTAGE BREAKDOWN

The percentages below indicate the approximate portion of the total cost attributable to each component in a typical modern 12-story Class A office building of average size and quality, not including financing costs.

AVERAGE MULTISTORY OFFICE BUILDING

Plans, engineering, and supervision	6.2%
Clearing, excavation, and foundation	2.7%
Steel frame and decking	13.4%
Miscellaneous steel	1.0%
Heating and air conditioning	12.9%
Air conditioning enclosures	.5%
Plumbing	4.5%
Sprinklers	1.9%
Electrical, including fixtures	9.3%
Elevators, conveying systems	4.9%
Metal wall panels and insulation	5.3%
Masonry backup and partitions	3.0%
Frame and drywall partitions	3.7%
Sash and glazing	3.0%
Plaster and furring	2.0%
Doors, door frames, and hardware	.6%
Concrete floors and roof	7.5%
Roofing and roof insulation	.3%
Resilient floor coverings	1.2%
Carpeting	1.2%
Acoustical ceilings, suspended	2.5%
Painting	.8%
Marble, tile, and terrazzo	.4%
Miscellaneous carpentry, finish, and cleanup	1.0%
Miscellaneous, unclassified	.8%
General contractor's overhead and profit	9.4%
TOTAL	100.0%

The 9.4 percent listed for general contractor's overhead and profit is the percentage of total cost. This is the equivalent of 11.1 percent of labor, material, and subcontracts, excluding plans, engineering and architect's supervision.

FLOOR LOADS

The following are typical live floor loads of some of the buildings used in determining cost averages. A majority of the buildings will have more than one design floor load to accommodate various uses. Thus, a hotel will be designed for heavy floor loads in halls and public areas and lighter floor loads in room areas, and banks will need heavier floors in computer and equipment rooms than in office areas.

The listed loads are typical of design specifications of a number of buildings built or under construction during recent years.

OCCUPANCY	POUNDS PER SQUARE FEET	
Apartments and dormitories	40	(plus 20 lbs. of partitions)
Auditoriums and churches	100	(60 for fixed seating)
Banks	100	(150 lbs. in equipment floors)
Computer and equipment floors	150	
Dwellings	40	
Governmental buildings	80	(125 lbs. in equipment rooms)
Gymnasiums	100	(150 lbs. for drill floors)
Hospitals	50	(100 lbs. in corridors)
Hotels and clubs	50	(100 lbs. in public areas)
Libraries	60	(150 lbs. in stack areas)
Light industrials and garages	100	(50 lbs. in office areas)
Medium industrials	150	(50 lbs. in office areas)
Heavy industrials	200	(and up, 60 lbs. in office areas)
Lofts	100	(50 lbs. in office areas)
Low cost offices	50	(125 lbs. in equipment rooms)
Average offices	50	(150 lbs. in equipment rooms)
Good offices	60	(150 lbs. in equipment rooms)
Excellent offices	80	(175 lbs. in equipment rooms)
Restaurants	100	(150 lbs. in kitchen areas)
Schools	50	(100 lbs. in corridors)
Stores	100	(125 lbs. in appliance floors)
Theaters	80	(150 lbs. for stage floors)
Warehouses - light	100	
- medium	150	
- heavy	200	(and up)

STORES AND COMMERCIAL BUILDINGS

(SEGREGATED COST METHOD)

INTERIOR CONSTRUCTION — Table I is based on averages for several types of occupancies not including furniture, fixtures, and equipment. Table II gives costs based on a square foot of partition area and may be used when a more detailed analysis is desired. For additional interior and partition costs, see Section 52. For fixture and equipment costs, see Section 65.

TABLE I. Apply to total floor area. Add or deduct 5% for each foot of variation from 12' average story height.

FRAME INTERIOR PARTITIONS	1	2	3	4
Bowling alleys (excluding alleys and equipment)	$ .77	$ .92	$1.09	$1.30
Department stores	1.94	2.54	3.32	4.34
Discount stores	.56	.70	.88	1.11
Markets	.89	1.02	1.17	1.35
Restaurants, drive-in	2.80	3.79	5.12	6.92
Restaurants, table service	2.48	3.83	5.91	9.12
Retail stores	.82	1.17	1.66	2.37

MASONRY INTERIOR PARTITIONS	1	2	3	4
Bowling alleys (excluding alleys and equipment)	$ .95	$1.12	$1.32	$1.56
Department stores	2.19	2.85	3.72	4.81
Discount stores	.74	.90	1.10	1.35
Markets	1.08	1.23	1.39	1.58
Restaurants, drive-in	3.18	4.25	5.69	7.61
Restaurants, table service	2.92	4.42	6.70	10.05
Retail stores	1.02	1.43	2.00	2.80

TABLE II. Apply to square feet of partition area. Costs include doors and openings. Do not use these costs if Table I is used.

	1	2	3	4
Acoustic accordion partitions	$10.00	$13.75	$19.00	$26.00
Gypsum block	1.75	2.25	2.95	3.80
Masonry, tile or concrete block	2.00	2.60	3.45	4.50
Metal partitions	4.65	5.80	7.20	9.00
Metal and glass	5.20	6.40	7.90	9.75
Steel studs and gypsum board	1.90	2.25	2.65	3.10
Steel studs and plaster	2.25	2.60	3.05	3.55
Steel channels and gypsum board, 2-1/4"	2.95	3.50	4.15	4.95
Wood frame, drywall two sides	1.55	1.85	2.20	2.60
Wood frame, plaster two sides	1.85	2.15	2.55	3.00

PLUMBING — Apply to total floor area or use Section 53 for more detailed cost per fixture. The following costs represent typical ranges only.

	1	2	3	4
Bowling alleys	$ .61	$ .80	$ .99	$1.21
Department stores	1.08	1.39	1.80	2.32
Discount stores	.40	.58	.81	1.22
Markets	.79	1.09	1.49	2.05
Restaurants, drive-in	2.62	3.47	4.60	6.10
Restaurants, table service	2.30	3.40	5.01	7.45
Retail stores	.48	.78	1.26	2.05

SPRINKLERS — Apply to sprinklered area. Costs include all piping but do not include tanks.

5,000 square feet	$ .90	$1.09	$1.33	$1.61
10,000	.80	.96	1.15	1.38
15,000	.75	.89	1.06	1.25
20,000	.71	.85	1.00	1.17
25,000	.68	.81	.95	1.12
30,000	.66	.78	.92	1.07
40,000	.63	.74	.86	1.00
50,000	.61	.71	.83	.95
75,000	.57	.66	.76	.87
100,000	.54	.62	.71	.81
150,000	.50	.58	.66	.74
200,000	.48	.55	.62	.69

HEATING, COOLING AND VENTILATING — Apply to total floor area.

Add or deduct 3% for each foot of variation from 12' average story height.

Costs are given for gas-fired heating surfaces. Add or deduct as follows for other fuels.

Coal stoker for hot air	+10%	Coal, hand-fired	-10%
Coal stoker for boiler	+10%	Oil-fired	+10%

For restaurants, use cost ranges in Section 13.

	1	2	3	4
Electric, cable or baseboard	$ .88	$1.08	$1.32	$1.61
Electric wall heaters	.41	.47	.54	.62
Forced air	.86	1.10	1.41	1.80
Furnace, floor or wall	.45	.54	.65	.79
Gravity furnace	.72	.87	1.04	1.24
Hot water, baseboard or convectors	1.61	1.97	2.42	2.97
radiant floor	2.40	2.52	3.04	3.66
Space heaters, gas, with fan	.36	.45	.56	.71
steam coil, with boiler	.68	.81	1.00	1.25
steam coil, without boiler	.47	.60	.77	.98
Steam radiator, with boiler	1.31	1.64	2.06	2.59
without boiler	1.05	1.31	1.69	2.15

FIRE PROTECTION

FIRE PUMP EQUIPMENT

HORIZONTAL SHAFT (CENTRIFUGAL, 100 P.S.I.)

Prices include installation costs, coupling and motor or engine on a steel base, plus relief valve and waste cone. Controller must be added for electric units. Diesel engine costs include battery, trickle charger, coupling and automatic controller. Electric motors are 230/460 volt, 3 phase, 60 Hz.

G.P.M.	H.P.	R.P.M.	ELECTRIC	DIESEL
500	60	1800	$ 7,900	$34,000
750	75	1800	10,000	35,500
000	100	1800	12,900	37,500
500	125	1800	15,000	39,000
000	150	1800	17,000	40,000
500	200	1800	20,000	42,000

VERTICAL SHAFT (TURBINE, MULTI-STAGE)

The following prices include a vertical electric motor with thrust bearing. Costs for diesel engines include a right angle drive, coupler, metal skid, fuel tank, battery, trickle charger and automatic controller.

G.P.M.	H.P.	R.P.M.	PUMP ONLY	ADD FOR ELECTRIC	ADD FOR DIESEL
500	50	1800	$13,000	$1,650	$22,700
750	75	1800	14,500	2,400	24,500
000	100	1800	16,500	3,200	26,300
500	125	1800	18,500	3,900	28,500
000	150	1800	21,000	4,700	30,500
500	200	1800	27,000	6,200	35,500

PUMP DRIVERS

Diesel Engines with coupling, skid, battery, fuel tank and battery charger. For horizontal drive.

For 1000 gal, 100 psi Pump	$10,000
For 2000 gal, 100 psi Pump	$14,500

Electric Motors (Squirrel-cage induction, 3 phase 60 cycle, drip-proof)

VOLTAGE	R.P.M.	HORSEPOWER					
		30	50	75	100	150	200
230/460	1800	$620	$1,050	$1,550	$2,100	$3,150	$4,200

ELECTRIC DRIVE CONTROLLERS

Combined Manual and Automatic, Reduced Voltage

VOLTAGE	AMPS*	HORSEPOWER					
		30	50	75	100	150	200
220	30,000	$ 4,400	$ 5,400	$ 6,600	.....	.....	.....
	75,000	7,900	8,600	9,500	$10,500	$12,900	$15,800
440	25,000	3,500	4,600	5,700	6,700	8,300	9,600
	60,000	6,900	8,200	9,300	10,200	11,600	12,700

*Circuit breaker interrupting capacity.

Combined Manual and Automatic, Across-the-Line

VOLTAGE	AMPS*	HORSEPOWER					
		30	50	75	100	150	200
220	30,000	$ 3,600	$ 4,300	$ 6,000	$ 8,100	.....	.....
	75,000	6,900	7,400	8,000	8,700	$10,200	$12,000
440	25,000	3,200	3,700	4,100	4,500	5,000	5,100
	60,000	6,100	7,000	7,500	7,900	8,100	8,900

*Circuit breaker interrupting capacity

DIESEL DRIVE CONTROLLERS . . . . . $3,300 to $3,500

FLOW METERS

PUMP SIZE	COST RANGE	PUMP SIZE	COST RANGE
500	$170 - $620	2000	$ 660 - $ 830
750	500 - 650	3000	830 - 1,010
1000	530 - 680	[illegible]	1,010 - 1,230
1500	590 - 750		

SPRINKLER SYSTEMS

Costs per square foot may be found in the Segregated Cost Sections. Refer to the section applicable to the type of building under consideration.

SMOKE AND HEAT ACTUATED ALARM SYSTEMS

Most commercial installations are leased. The costs below represent the installation costs charged to the user.

Commercial base cost $600.00 plus $ .17 per square foot of protected areas.
Residential ionization smoke detectors cost $50.00 to $70.00 installed.

FIRE PROTECTION

FIRE ALARM SYSTEMS

Buildings under 75' height.

Control panel at lobby:	
1 zone	$525
5 zone	600
Pull station	20
Smoke detector	50
Pull station with horn or bell alarm	40

(Use same costs for stations and detectors in buildings over 75' high).

Buildings 75' and above.

Control panel at fire control room (with street access for Fire Department) 75 zones	$3,000
Speakers connected with microphone at control panel	50
Emergency telephone,5 jacks	100
Sprinkler water flow detector	150
Time,date,location printer	3,500
Battery standby system	3,800

CABINETS

Extinguisher Cabinets:
Steel . $100.00 Aluminum . . $150.00 Stainless Steel . . $250.00

Hose Cabinets:
Steel . . $110.00 Aluminum . . $165.00 Stainless Steel . . $280.00

Hose Houses:
Steel . $600.00 Aluminum . . $900.00

Inside fire hydrants including 75' of 1-1/2" hose, valve, rack, and nozzle, installed without cabinet, cost $240 to $300.

EXTINGUISHERS

Portable, antifreeze (pressurized), 2-1/2 gal.	$ 75
Portable, water (pressurized), 2-1/2 gal.	60
Carbon Dioxide, with hose and horn, 2-1/2#	63
5#	71
10#	98
20#	115
Carbon Dioxide, wheeled, 50#	625
100#	1,300
Dry chemical, regular types, 2-1/2#	32
5#	37
10#	50
20#	87
30#	155

(For all purpose type, add 10 to 15 percent).

AIR FOAM SYSTEMS

High Expansion, cubic feet per minute.

5,000 cfm . . $2,000 10,000 cfm . . $3,000 15,000 cfm . . $4,000

Low Expansion, (protein) cost per square foot of tank surface.

TANK SURFACE	FUEL OIL	GASOLINE
500 sq. ft.	$ 3,800	$ 4,200
1,000	4,300	4,900
1,500	4,900	5,700
2,000	5,500	6,600
3,000	7,200	8,900
4,000	9,300	12,000
5,000	12,000	16,000

CARBON DIOXIDE SYSTEMS

FLOODING SYSTEMS
(Cost per cubic foot)

	SMALL (500 cu. ft.)	MEDIUM (3,000 cu.ft.)	LARGE (30,000 cu.ft.)
Standard hazards	$ 1.60	$ 1.15	$ .60
Electric hazards	2.40	1.50	.70
Fur vaults	2.80	1.95	.85

LOCAL APPLICATION
(Cost per square foot)

	SMALL (25 sq. ft.)	MEDIUM (250 sq. ft.)	LARGE (1,000 sq. ft.)
Coated surfaces	$55.00	$36.00	$25.00
Liquid surfaces	75.00	51.00	37.00

HALON 1301 SYSTEMS
(Cost per cubic foot)

Includes ionization detection with approximately 6% total flooding of electrical hazards.

500 cu. ft. . . $1.35 3,000 cu. ft. . . $3.00 30,000 cu. ft. . . $1.20

DRY CHEMICAL SYSTEMS

Restaurant Hood and Duct (25 lb.) . . . . . $600 to $1,200

ALASKA PUBLIC UTILITIES COMMISSION CSHB #648
SB #370

Section 2 of SB 370 and CSHB 648 affects that statute of the Alaska Public Utilities Commission in that it takes the ratemaking powers which have been delegated to the Commission under AS 42.05 and returns them to the legislative arena. The Commission believes that the Legislature should have the following information before it decides what rates, if any, should be charged to a class of utility customers -- in this instance those commercial customers that have installed fire protection systems which use hydraulic sprinklers.

Establishing utility rates is admittedly a complicated process -- it involves determining what utility expenses are reasonable and then allocating those expenses to the classes of consumers that are responsible for the incurrence of those costs. Customers are then charged rates which cover these expenses.

The Commission believes the Legislature should realize that there are expenses directly associated with providing sprinkler service that if not paid by those customers who received the service, i.e., those who have installed sprinklers, will be borne by other customers, namely residential consumers and those commercial customers who have not installed a sprinkler system.

An example of the extent of utility expenses associated with providing water sprinkler service follows: In its last request to the Commission for a permanent rate increase, Central Alaska Utilities, a water utility in Anchorage serving approximately 10,000 customers, allocated $129,000 of its revenue requirement to be recovered from those customers who received sprinkler service. Section 2 of this legislation would require that those utility expenses attributable to provide water sprinkler service would be borne by all customers of the utility. It is interesting to note that if this amount, $129,000, must be recovered from all other CAU customers, it would require a rate increase of approximately $1.00 per month per customer or an annual increase of more than $12.00. The customers of the Anchorage Water Utility and other regulated water utilities providing this service would experience a similar increase. The Commission adds that as with all costs, those associated with providing sprinkler service change as a utility's economic circumstances change, and this number might not hold in a new tariff revision. The Commission also notes that this ratemaking prohibition would not effect the rates that nonregulated municipal water utilities might charge.

One of the questions raised by this legislation is who would provide the revenues needed to, if required, resize a water utility's service line as a result of the installation of sprinkler systems in a commercial building.

The Commission wants the legislature to understand that there are costs currently associated with providing sprinkler service that, if not recovered from the users who benefit from the service, must be borne by all of the utility's customers. This does not even begin to consider the costs that will be generated by new sprinkler customers taking advantage of the "free" service. This may be a social policy that the legislature desires to establish. However, it does depart from the Commission's utility ratemaking philosophy -- that to the most reasonable extent possible, the costs causer should be the cost payer.

TWO INTERPRETATIONS

(Insurance Services Agency)

APUC - says water standby charge is based on insurance rating for each area.

Whether water is used or not, certain amounts must be available in case of fire.

If SB 370 passes, APUC interprets:

- that buildings with sprinkler systems will not have to pay a fee or surcharge once system is installed....

IN VIEW OF THE ABOVE MANDATED CHARGE, APUC CONTENDS SOMEONE MUST PAY THE DIFFERENCE, AND THEY INTERPRET THIS DIFFERENCE AS COMING FROM ALL OTHER CONSUMERS, WHETHER COMMERCIAL, RESIDENTIAL, OR THE GENERAL PUBLIC.

Mr. Shirnberg interprets this bill to mean only commercial buildings will be affected - and any price differential would be equally split among all commercial buildings, whether they have sprinkler systems installed, or not. The general public would not be affected.

QUESTION: Also, APUC was established to set fair rates - is this law attacking the rate making process - even just a small portion?? And, is this good - to start ....?

NOTICE OF UTILITY TARIFF FILING

The ALASKA PUBLIC UTILITIES COMMISSION hereby gives notice that the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU), a water utility, has filed a tariff revision (TA19-122) which reduces the monthly rates for private fire protection. A comparision of the current and proposed monthly rates follows.

Service Size	Current Rate	Proposed Rate	(*) See Below
2"	$ 7.10	$ 3.46	.18
3"	15.90	7.79	.41
4"	28.45	13.87	.72
6"	63.55	31.20	1.62
8"	112.85	55.49	2.89
10"	176.40	86.69	4.51
12"	254.10	124.85	6.50

More detailed information may be obtained from the utility whose address is 3000 Arctic Blvd., Anchorage, Alaska 99503. The filing may be inspected also at the offices of the Alaska Public Utilities Commission, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska 99501.

Any interested person may file a statement of views favoring or opposing the tariff revisions proposed by AWU with the Commission at 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska 99501 on or before February 2, 1979. This statement should clearly affirm that the interested person has filed a true copy of it with AWU, 3000 Arctic Blvd., Anchorage, Alaska 99503 as required by the Alaska Administrative Code.

DATED at Anchorage, Alaska this 9th day of January, 1979.

ALASKA PUBLIC UTILITIES COMMISSION

Russell N. Staley

Russell N. Staley
Acting Executive Director

(*) Filed by Julian Mason, Counsel for Western Enterprises and Jim Faiks, (Western) who stated in part,

> "Pending hearings on the revised tariff, counsel for Western held several meetings with AWU and its attorney. During those meetings, it was disclosed that AWU anticipated making an additional amendment to its tariff filing which would reduce the rates for sprinklered buildings to only 2.5% of their current level. Copies of the existing and proposed tariffs are attached as Exhibit 'A'."

Mr. Mason's complete statement (filing), from which this quotation is extracted, is attached.

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	))))))	U-79-14

DEC 17 '79 A.P.U.C.

MOTION TO ELIMINATE RETROACTIVELY TO JANUARY 2, 1979, THE PRIVATE FIRE PROTECTION CHARGES CONTAINED IN THE TARIFF OF THE ANCHORAGE WATER UTILITY

The tariff of the Anchorage Water Utility ("AWU") contains a provision under which AWU levies a charge, in addition to the regular monthly charge, for service to buildings which contain sprinkler systems. The reasonableness of and justification for this charge have been hotly contested for several years by the owners of sprinklered buildings.

On January 2, 1979, the Anchorage Water Utility filed a tariff revision in which it proposed to reduce the charge for sprinklered buildings. That tariff filing was suspended by the Commission and hearings were scheduled. Western Enterprises and Jim Faiks ("Western") petitioned to intervene in the proceedings and their petition was granted. Western owns or represents the owners of a number of sprinklered buildings. Western and AWU agreed to attempt to resolve the dispute through negotiation and the Commission approved a stipulation extending certain deadlines.

Pending hearings on the revised tariff, counsel for Western held several meetings with AWU and its attorney. During those meetings, it was disclosed that AWU anticipated making an additional amendment to its tariff filing which would reduce the rates for sprinklered buildings to only 2.5% of their current level. Copies of the existing and proposed tariffs are attached as Exhibit "A." Based on that representation,

DUNN, PAULT and MASON
LAWYERS
LOUSSAC-SOGN BUILDING
431 D STREET
ANCHORAGE, AK 99501
(907) 276-4331

and an additional suspension period. However, AWU was unable to file the tariff on the stipulated date and Western agreed to an additional extension of time which the Commission approved in Order No. 5.

Shortly before the expiration of the most recent deadline, counsel for Western was notified by Mr. Peter Argetsinger, attorney for AWU, that AWU would be unable to file the tariff as planned for a variety of reasons. While the recited reasons are not directly relevant to this motion, the Commission should be aware that Mr. Argetsinger indicated that, while AWU agrees with Western that the tariff is wrong and must be lowered substantially, no decision has been made by the Municipality as to exactly what the tariff should be.

During the course of negotiations since the filing of the original amendment to the tariff, it has become absolutely clear that the present tariff contains rates which are many times higher than they should be.[1/] AWU has orally expressed a willingness to absorb any revenues which will be lost by eliminating the charge altogether until such time as it decides to file a new tariff. Under those circumstances, it is not reasonable for AWU's customers to continue to pay rates which the utility acknowledges are inappropriate and unreasonable. Therefore, Western respectfully asks that the private fire protection portion (i.e., Schedule E, page 51) of the AWU tariff be eliminated retroactively to January 2, 1979. This motion, if granted, will require AWU to refund those charges, if any, which it has collected for private fire protection since January 2, 1979.[2/]

1/ Western's position has always been that the surcharge for sprinklered buildings is inappropriate, discriminatory, and unjustifiable. AWU disagrees but has acknowledged that the present rates are approximately 40 times what they should be. The second revision of the tariff (which was never filed) contained rates which were about 2.5% of the current rates.

2/ Many of the customers of AWU have refused to pay the charge. Western has escrowed the disputed charge.

DUNN, BAILY and MASON
LAWYERS
LOUSSAC-SOGN BUILDING
429 D STREET
ANCHORAGE, AK 99501
(907) 276-4331

motion. AS 42.05.381 (a) requires that all rates be "just and reasonable." AS 42.05.391 (a) prohibits a utility from subjecting a customer to "an unreasonable prejudice or disadvantage." The present tariff rates are so high that they are unreasonable and Western is being disadvantaged and prejudiced by those rates. Therefore, it is inappropriate and a violation of the statutes cited above to continue the present rates. Since AWU cannot decide what rates it wants, the proper action is to eliminate the rates entirely until AWU makes its decision and files a new tariff.

Respectfully submited this 13 day of December 1979.

Julian L. Mason

Julian L. Mason

DUNN, BAILY and MASON
LAWYERS
LOUSSAC-SOGN BUILDING
429 D STREET
ANCHORAGE, AK 99501
(907) 276-4331

II. SERVICE CHARGES (Cont'd)

Schedule E - Private fire protection (cont'd)

Service Size	Monthly Rate	
2"	$ .18	(R)
3"	.41	(R)
4"	.72	(R)
6"	1.62	(R)
8"	2.89	(R)
10"	4.51	(R)
12"	6.50	(R)

Schedule F - Bulk water sales

All bulk water sales will be handled by special contracts.

Tariff Advice No. 19-122 Effective:

Issued by: Anchorage Water Utility

By: J. L. HARSHMAN, P.E. Title: General Manager

Chem - Exhibit 3 - 6 Pg C

Schedule B5

ANCHORAGE WATER UTILITY

SUMMARY OF COST ALLOCATION FACTORS

Data	Total	Residential	Commercial and industrial			Fire protection		Bulk sales CAU
			Metered	Unmetered	Special (construction)	Public	Private	
1. Annual water production charged to each class (1) (mg)	5,484.0	1,676.0	2,173.6	1,498.7	135.7	-	-	-
2. Capacity (mgd) (2) (peak day)	27.20	7.29	8.05	7.74	1.02	1.27	1.27	.56
3. Number of customers, total (3)	14,897	11,649	1,611	1,484	153	-	-	-
4. Number of metered customers	1,611	-	1,611	-	-	-	-	-
5. Number of metered customers, weighted by meter size								
6. Fire protection hydrants	2,300					1,800	500	
Allocation factors								
1. Annual consumption - Same factor	1.0000	.3056	.3964	.2733	.0247	-	-	-
2. Capacity	1.0000	.2044	.4025	.2463	.0651	.0335	.0335	.0147
3. Number of customers, total	1.0000	.7820	.1081	.0996	.0103	-	-	-
4. Number of metered customers	1.0000	-	1.0000	-	-	-	-	-
5. Number of metered customers, weighted by size	1.0000	-	1.0000	-	-	-	-	-
Composite factors								
1. Line 1, 20% (4) Consumption	.2000	.0611	.0793	.0547	.0049			
Line 2, 80% (4) Demand	.8000	.1635	.3220	.1970	.0521			
	1.0000	.2246	.4013	.2517	.0570	.0268	.0268	.0118
2. Fire protection - Hydrants						.7826(5)	.2174(5)	-
3. Line 2, 50% (6)	.5000	.1022	.2013	.1232	.0326	.0167	.0167	.0073
Line 3, 50% (6)	.5000	.3910	.0541	.0498	.0051	-	-	-
	1.0000	.4932	.2554	.1730	.0377	.0167	.0167	.0073

(1) Line 6 - page 2 of 2, Schedule B5
(2) Line 15 - page 2 of 2, Schedule B5
(3) Schedule C
(4) The needs of AWU are concentrated in the lack of capacity to satisfy peak demands
(5) Column total = system total
(6) Reflects the demands placed on customer service by those customers with the greatest diversity of demand characteristics

COUCHE ROSS & CO.

64

Ritchie Knapp
from Gordon Herbst

WATER UTILITIES
(December 31, 1977) — As of end of '78

UTILITY	NET PLANT	REVENUES GROSS	REVENUES NET	USERS
CLASS A				
Anchorage, Municipality of	$32,780,037	$5,862,718	$1,553,524	15,900
Central Alaska Utilities, Inc.	17,804,414	2,172,929	476,960	9,931
College Utilities Corp.	4,541,435	624,733	173,007	996
TOTAL - Class A	$55,125,886	$8,660,380	$2,203,491	26,827
CLASS B				
Barrow Utilities & Electric Cooperative	$963,094	$4[illegible],446	($71,627)	7
CLASS C				
Alyeska Utilities, Inc.	$155,338	$ 55,631	$ 8,196	245
Dawn Development Corp.	Annual Report Not Received			
S & S Development	320,203	69,303	7,857	456
TOTAL - Class C	$475,541	$124,934	$16,053	701
CLASS D				
Bell Utilities & Development, Inc.	$ 443,739	$ 41,500	$18,459	140
Eagle River Heights Utilities, Inc. year ended 6/30/77	153,593	28,821	5,393	173
Glacier Utilities, Inc.	297,249	20,759	(17,912)	231
McGahan Utilities, Inc.	Annual Report Not Received			

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS LOANS

Phone: 465-2510
POUCH D
JUNEAU, ALASKA 99811

The Division of Business Loans is not opposed to making loans for fire prevention equipment. It does, indeed, make them right now. The division is opposed to giving preferential treatment to certain types of loans. The installation of fire prevention equipment could mean preventing loss of life or property, but the same could be said of repairs to the hull of a fishing boat or repairs to the foundation of a store building or the purchase of new engines for an airplane. We get applications for those types of loans, too

We are presently backlogged 16 weeks on applications. That's 16 weeks from the date the loan is received until the applicant receives a yes or no answer. The backlog increases as the difference increases between our fixed interest rate and the bank's rising rates. It is very difficult to justify putting off an applicant who has waited 16 weeks for an answer because we have to stop and work on a new application just received.

Preferential treatment of loans is difficult because:

1. With the current 16-week backlog, loans are not studied until many weeks after they are received. They are merely stamped and logged in and filed until a loan examiner finishes with those applications which came in before it. It would take a change in procedures and a sudden increase of the backlog if we were to, with the present staff, stop processing loans to read all incoming applications. In spite of our best efforts to provide forms which should make the use of loan proceeds evident, applicants often go out of their way to make it obscure.

2. Several bills have been introduced which require preferential treatment for certain types of loans. (Examples: fish holds, energy-related loans.) Preference isn't preference anymore if the volume of preference work is too great, and it may mean never getting to the run-of-the-mill loans if the preferred loans increase in quantity.

3. Almost all applicants have reasons for needing preferential treatment. Fishermen need to get their boats purchased or repaired before fishing season. Contractors need their new

equipment before the building season. Tourism facilities have to be ready for the tourist season. Child care facilities have to make mandated repairs or lose their licenses. Very few applicants are requesting something which isn't needed right now.

4. Many applicants for loans have signed earnest money agreements for the purchase of the item for which the loan proceeds are to be used. Their earnest money agreements nearly always have time limits, and forfeiture of thousands of dollars may result if no answer is received on the loan. Certainly this is also a request which should be given preference, if preferential treatment was available.

ST/s122M

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BUSINESS LOANS

Phone: 465-2510

POUCH D
JUNEAU, ALASKA 99811

March 20, 1980

Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

It would appear that the addition to AS 45.95.020 contained in SB 370 is not necessary, as an applicant can have any number of small business loans, providing that they do not total more than $500,000. If the intent of that paragraph was to allow a loan that brought the total to more than $500,000, then it would have to be worded to allow that.

As written in the original SB 370, the paragraph could be construed to mean that the commissioner could not disqualify the applicant if we had previously foreclosed on a loan to him or if he was delinquent on an existing loan. I doubt that this is the intent of the paragraph, so if you want to include something regarding the amounts allowed, you would want to be more specific in the wording.

Thank you for the opportunity to comment on the bill.

Very truly yours,

Sharon Traylor

Sharon Traylor
Director

ST/sa4/1

08-H3LH

SERVING THE COLLEGE COMMUNITY
COLLEGE UTILITIES CORP.

PHONE
(907) 479-2668
or
(907) 479-2760

565 University Ave.
P. O. Box 80909
College Station
Fairbanks, AK 99708

March 21, 1980

Senator Arliss Sturgulewski
Chairman, Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

Re: Senate Bill 370

Dear Senator Sturgulewski:

College Utilities Corporation is a privately owned sewer and water utility, serving the suburbs of Fairbanks, the University of Alaska, and the Fairbanks International Airport. We receive about 6.95% of our annual water operating revenues from fire protection charges, of which several of our customers are government agencies.

Should the legislature get into the business of rate setting, in competition with the Alaska Public Utilities Commission, which already is causing us paperwork nightmares and pocketbook headaches, and eliminates this fire protection charge via SB 370, the average rate for a single family dwelling will increase by approximately $1.87 per month. College Utilities feels this bill unfairly allows regulation, by legislation on top of that already provided by the APUC.

Sincerely,

GEORGE E. GORDON
President

COLLEGE UTILITIES CORPORATION

GEG/mjh

South Central Fire Prevention Council

"Lands, Homes, and Lives"

February 19, 1980

Senator Arliss Sturgulewski
Chairperson,
Senate Community & Regional Affairs Committee

Dear Senator Sturgulewski:

We strongly support and recommend that the Community & Regional Affairs Committee act favorably and recommend DO PASS to Senate Bill No. 370, an Act relating to fire prevention.

We feel that the provisions of this act that will allow businessmen and property owners to receive loans at terms and interest as proposed will encourage the installation of fire protection systems. An additional incentive will be created for the property owner by removing the fire protection systems from the real property tax roles.

This bill addresses and removes the inequity in water utility rates charged to property owners who have installed hydraulic fire protection systems.

All three of the provisions of this bill will create the much needed incentive that will allow property owners to make the needed installation of fire protection systems a reality. This will, in years to come, reduce the costs and demands on the public fire departments, and will assist greatly in bringing our escalating loss of life and property under control; reducing this loss and bringing together the public and private fire protections to provide the most cost effective method of providing for the fire protection needs of our communities.

Your support on this legislation will be greatly appreciated by those of us who work daily in the areas of fire prevention and suppression.

Respectfully Yours,

Russell J. Bagley
Chairman

RJB:dgs

SB 370

Stran
The other way to build
AUTHORIZED BUILDER

Kenai Steel Buildings, Inc.

P. O. Box 340 - Kenai, Alaska 99611 - (907) 283-7810

February 28, 1980

Senator Arliss Sturgulewski
Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Senate Bill No. 370 will be coming before your committee in the near future.

I, as a businessman, strongly support this legislation. It will offer the type of assistance and incentive necessary to make the installations of fire protection equipment cost effective. This bill offers the hope of getting our fire loss under control, and a method of reducing the costs of fire protection in the future.

I ask that you act favorably on this bill.

Respectfully,

Robert S. Oehler
Owner

RSO/lc

JAMES R EVANS
1941 KULIK CIRCLE
ANCHORAGE AK 99504



Alaska Fire Chiefs' Association

March 4, 1980

The Honorable Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

This letter is in support of House Bill 648 and Senate Bill 370 which are strongly supported by the Alaska Fire Chiefs' Association and the Alaska State Firefighters Association.

This bill will make low interest loans available to property owners to finance the installation of private fire protection systems, it will provide tax credits to property owners with private fire protection systems, and it will eliminate water standby utility charges on property owners' utility bills. It is an impressive program which will save cities and property owners money, without increasing mandatory regulation or other red tape.

Upon reading the enclosed position paper authored by the above Associations, I am sure you will agree with the Firefighters and Fire Chiefs that this bill is something long over due and it should be strongly supported.

When the program is explained every organization to whom the program has been presented has enthusiastically supported the program. The Fire Chiefs' Association is in receipt of letters from the Cordova Chamber of Commerce, the City of Ketchikan, the Water Conservation Association, all of which enthusiastically support the legislation. It is understood that more enthusiastic support is on the way and building. Please support House Bill 648 and its companion Senate Bill 370 this session. Thank you.

Very truly yours,

ALASKA FIRE CHIEFS' ASSOCIATION

James Evans, President

P.S. The sponsors of the House and Senate bills have been provided with a Digest of factual material which conclusively and emphatically documents the effectiveness of private fire protection in controlling fires, and, therefore, local government costs. A copy of that Digest is enclosed for your information, and for the use of your committee.

City of Soldotna
BOX 409 PHONE 262-9107
SOLDOTNA, ALASKA 99669



CITY OF OPPORTUNITY

March 21, 1980

The Honorable Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

We are enclosing a copy of Resolution 80-16 supporting HB648 and SB370 which was adopted by the City Council of the City of Soldotna at their regular meeting, March 20, 1980. We hope you will consider this support when this legislation is being addressed.

Sincerely,

Patricia C. Burdick

Patricia C. Burdick
City Clerk

Enclosure

CITY OF SOLDOTNA
RESOLUTION 80-16

A RESOLUTION SUPPORTING HB648 and SB370 CONCERNING THE EXEMPTION OF THE VALUE OF A FIRE PROTECTION SYSTEM IN THE ASSESSMENT OF A BUILDING

WHEREAS, HB648 and SB370 will benefit the citizens of the State of Alaska and the City of Soldotna by exempting the value of fire protection systems from the assessment of the full and true value of a building, and

WHEREAS, It is recognized that the legislation will result in safer buildings and enable citizens to fully protect their buildings and create lower assessments, now therefore be it

RESOLVED, By the City Council of the City of Soldotna that they support the concept of HB648 and SB370.

ADOPTED this 20th day of March, 1980.

Mayor

ATTEST:

City Clerk

Greater Ketchikan Chamber of Commerce
2415 Hemlock - 110 — Ketchikan, Alaska 99901
Telephone (907) 225-3184

Community and Regional Affairs Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, AK 99811

February 14, 1980

Dear Sirs:

The Board of Directors of the Greater Ketchikan Chamber of Commerce would like to go on record as fully supporting House Bill 648 and Senate Bill 370, regarding "An Act relating to fire prevention".

Best regards,

Sally Smith

Sally Smith
President
Greater Ketchikan Chamber of Commerce

cc: Community and Regional Affairs Committee
Senate
Alaska State Legislature

Representative Terry Gardiner
Representative Oral Freeman
Senator Robert H. Ziegler, Sr.



KETCHIKAN RAINBIRD

Greater Ketchikan Chamber of Commerce
2415 Hemlock - 110 – Ketchikan, Alaska 99901
Telephone (907) 225-3184

RESOLUTION

(An Act Relating to Fire Prevention)

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has evaluated House Bill #648 and Senate Bill #370 and;

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has determined that Fire Protection systems should not be included in the assessment value of a building and;

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has determined that a Utility Company should not be entitled to levy charges for water to hydraulic sprinkler fire prevention systems per unit and

WHEREAS: The Greater Ketchikan Chamber of Commerce Board of Directors has determined that the directives indicated in these bills are in the best interest of preventative operations relating to fire protection;

BE IT THEREFORE RESOLVED: The Greater Ketchikan Chamber of Commerce Board of Directors recommends immediate passage of House Bill #648 and Senate Bill #370 as they read in identical form.

Approved and adopted this 13th day of February, 1980, by the Greater Ketchikan Chamber of Commerce Board of Directors.

Sally Smith

Sally Smith, President
Greater Ketchikan Chamber of Commerce



KETCHIKAN RAINBIRD

SB 370
Ans 3-11

Kenai Chamber of Commerce
P. O. Box 497
Kenai, Alaska 99611
(907) 283-7989

March 4, 1980

Sen. Clem Tillion
Pouch J
Juneau, Alaska

Dear Sen. Tillion

The Greater Kenai Chamber of Commerce supports H.B.648. This bill would be beneficial to both the City of Kenai and the near surrounding Kenai. We urge passage of a similar bill in the Senate so that it may be enacted into law.

Very Truly Yours

Richard I. Morgan, Chairman
Legislative Committee
Kenai Chamber of Commerce

Cordova Chamber of Commerce

BOX 99

"The Friendly City"

CORDOVA, ALASKA 99574



MT. ECCLES

January 30, 1980

Mr. Robert Shirnberg
Post Office Box 1167
Kenai, Alaska 99611

Dear Mr. Shirnberg,

This is to inform you that on January 29, 1980, the Cordova Chamber of Commerce took action supporting proposed legislation for the installation of Private Fire Protection Systems.

The following are specific concepts supported by this Chamber:

1. Low interest or no interest loans with a minimum of paperwork to be made available to businesses for the purpose of installing Private Fire Protection and Suppression Systems.

2. That loan payments be held to the amount saved on the establishemnt's fire insurance premium.

3. That legislation be passed urging local municipalities to not increase the assessed evaluation of the property because of the installation of such system, whether it be named as an improvement or any other such designation.

4. That sufficient publicity be given to business people in all communities.

The Chamber of Commerce feels that incentives for the installation of Private Fire Protection and Suppression Systems will reduce the loss of lives, property, and lost man-hours due to destruction of business property.

WELCOME

Sincerely,

Robert L. Varnam

Robert L. Varnam

cc: Alaska Fire Chief's Association, Alaska State Fire Fighter's Association, Cordova City Council

ALARMS -- BURGLAR, FIRE
INTERCOM - TELEPHONE
283-4012

Your Full Line Electrical Supplier
283-4275

LIGHTING FIXTURES - SHOWROOM
RESIDENTIAL - COMMERCIAL
283-4036

KENAI ELECTRIC, INC.
P.O. Box 308
KENAI, ALASKA
99611

March 13, 1980

Senator Arliss Sturgulewski
Chairman
Senate Community & Regional Affairs Committee
Pouch V.
Juneau, Alaska, 99811

Dear Senator Sturgulewski:

I understand that Senate Bill No. 370 will be before your Committee in the near future.

I strongly support this type of legislation. As a businessman, we need the support and incentive that will be created by this bill. We will make the fire protection improvements in our property if it is cost effective.

This type of legislation offers an opportunity to both improve the fire protection in our communities, as well as controlling the escalating costs of such service.

Thank you for your consideration on this matter.

Sincerely,

Glenn Kipp
President

GK/car

Alaska State Legislature

Official Business

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

March 27, 1980

SENATE BILL 370

Attached is a copy of CSSB 370 showing changes desired to be incorporated into another Committee Substitute. This bill is scheduled for another public hearing April 1, at 1:30 p.m.

Attachment

WO 7597
Guthrie ✓

(1)

Original sponsors: Colletta and Bradley

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 370

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to fire prevention."

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

* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) real property to the extent and subject to the conditions provided in (j) of this section.

* Sec. 2. AS 29.53.020 is amended by adding a new subsection to read:

(j) Two percent of the assessed value of an improvement to real property is exempt from taxation if the improvement contains a fire protection system approved under AS 18.70.081, and in operating condition, and incorporated as a fixture or part of the improvement. The exemption granted by this subsection is limited to

(1) an amount equal to two percent of the value of the fire protection system based on the assessment for 1981, if the fire protection system is a fixture of the real property on January 1, 1981; or

(2) an amount equal to two percent of the value of the fire protection system during the year of its installation if the fire protection system becomes a fixture of the property after January 1, 1981.

Add Section To reimburse Municipalities for Homes Loss

* Sec. 3. AS 42.05.381 is amended by adding a new subsection to read:

(d) A utility may not charge a fee or surcharge to provide standby water for fire protection systems which use hydraulic or standard sprinklers and which are approved under AS 18.70.081.

Delete

* Sec. 4. AS 45.95.020(a) is amended to read:

(a) The commissioner shall, under regulations and policies adopted by him, make small business loans to acquire, finance or refinance or equip businesses, including farming equipment, fire protection systems approved under AS 18.70 081, mining and fishing, not exceeding $500,000. The loans shall be secured by acceptable collateral and may not exceed 75 percent of the appraised value of the collateral offered as security. The rate of interest may not exceed nine and one-half percent a year on the unpaid balance.

* Sec. 5. AS 44.33.170 is amended by adding a new subsection to read:

(b) Tourist attraction development matching money may also be obtained for the purpose of purchasing and installing a fire protection system approved under AS 18.70.081 for a building used or to be used for the purposes described in (a) of this section.

* Sec. 6. AS 18.70 is amended by adding a new section to read:

Sec. 18.70 081. APPROVAL OF FIRE PROTECTION SYSTEMS. The Department of Public Safety shall inspect and approve or disapprove fire protection and fire alarm systems offered for sale in the state. Before October 30 of each year the Department of Public Safety shall make available a list of approved systems to the Department of Community and Regional Affairs, the Department of Commerce and Economic Development, and the public.

DELETE

INTERIOR FIRE CHIEFS ASSN. OF ALASKA

Address Reply to:

James A. Morris
Member
Interior Fire Chiefs
Assn. of Alaska
656 7th Avenue
Fairbanks, Alaska 99701

January 25, 1980

Senator Brad Bradley
Pouch V - State Capitol
Juneau, Alaska 99811

Dear Senator Bradley:

Attached is some information that you requested concerning proposed legislation about the Community Fire Protection Incentive Program.

City Ordinance 3794 provides for a fee schedule for sprinkler services (4", 6" or 8" depending upon the side of the sprinkler system) for the Municipal Utilities System (MUS). MUS provides water service to all areas of the City of Fairbanks, excluding Fort Wainwright. There are presently some two hundred (200) sprinkler services in the MUS system. Note that the applicable rates are underlined (bracketed amounts are the changes applied previous to the effective date of Ordinance 3749, 27 December 1978).

Note also that the MUS fee schedule includes a fee of $65 per month for fire hydrants. The General Government of the City presently pays this fee to MUS for every public hydrant in the City (925 at present). This amounts to an annual cost of $721,500 underwritten by Sales and Property taxes equally proportiate from all property owners in the City (see attached copy 1980 City Budget page 104).

The number of fire hydrants required in any part of the City varies with the potential amount of water needed to extinguish a fire. This will vary with the size of the buildings in the area and what materials were used to construct them (wood, steel or concrete). Large commercial buildings require greater amounts of water, therefore more fire hydrants. Attached materials from the NFPA Fire Protection Handbook and ISO "Municipal Fire Protection Grading Schedule" are used as guidelines for providing adequate hydrants. Areas with one and two family houses usually have hydrants every four hundred (400) feet, yet commercial areas have twice as many hydrants (every 200-250 feet).

FISCAL NOTE - Continued SB 370

Estimated Revenue Lost By Municipalities By SB 370

Municipality	Comm. Property Value	Est. % w/Fire P. Syst.	Value Prop. w/FPS
Anchorage	$ 452,755,434	55%	$ 249,015,489
Fairbanks	96,920,074	40%	38,768,030
Juneau	106,867,300	60%	64,120,380
Ketchikan	51,299,887	40%	20,519,955
TOTAL	$ 707,842,695		$ 372,423,824

Prop. w/FPS @ 2%		Mill Rate	Revenue Lost
Anchorage -	$4,980,310	@ 13.79	$ 68,700
Fairbanks -	775,361	@ 15.68	12,200
Juneau -	1,282,408	@ 12.95	16,600
Ketchikan -	410,800	@ 16.00	6,600
			$104,100
	Est. Cities revenue lost	+	$ 10,000
			$114,100
	Est. 10% error factor	+	$ 11,400
			$125,500

BRIAN R. SHUTE
ATTORNEY AT LAW
1026 WEST 4TH AVENUE, SUITE 208
ANCHORAGE, ALASKA 99501
(907) 274-6644

March 14, 1980

The Honorable Arliss Sturgulewski
Chairman, Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: Senate Bill 370

Dear Senator Sturgulewski:

Some questions have arisen concerning the definition of fire protection systems. The understanding of the State Fire Chiefs' Association is that the bill would cover those fire protection and fire alarm systems as defined in the National Fire Codes. Following is a suggested definition of fire protection systems:

> Fire protection systems are those systems as defined in the National Fire Codes, current edition, published by the National Fire Protection Association.
>
> The systems include, but are not limited to, the following: Foam extinguishing systems, high expansion foam systems, carbon dioxide systems, Halon 1301 systems, Halon 1211 systems, dry chemical systems, water operation fixed systems, foam/water sprinkler and supply systems, standpipe and hose systems, hydraulic sprinkler systems, and associated pumps and tanks as required for the foregoing systems.
>
> Fire alerm systems include, but are not limited to: supplemental station signalling systems, local protective signalling systems, auxilliary signalling systems, remote station signalling systems, proprietary signalling systems, and automatic fire protection systems.

The growing public support for this bill is indicative of its benefit. The Alaska Fire Chiefs' Association and the Alaska State Fire Fighters Association emphatically urge its enactment.

If you have any questions please do not hesitate to call.

Very truly yours,

Brian R. Shute

Brian R. Shute

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE
REVISED
FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 648 & SB 370

Title An Act Relating to Fire Prevention

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Dept. of Commerce and Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Business Loans

(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-			
200	TRAVEL		-0-	-0-			
300	CONTRACTUAL		-0-	-0-			
400	COMMODITIES		-0-	-0-			
500	EQUIPMENT		-0-	-0-			
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		-0-	-0-			

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME		-0-	-0-			
PART TIME						
TEMPORARY						

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

Revised to reflect elimination of the loan priority provision.
No additional personnel needed to process loans within standard procedures.

IV. DATE Revised 4-1-80 PREPARED BY Sharon R. Traylor, Director

AGENCY Div. of Business Loans/ Dept. of Commerce & Econ. Dev.

PHONE 465-2510

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

33-001 (Rev. 12/79)

A copy

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSB 370
Title "An Act relating to fire prevention".
Requested by Bob Schroeder Date April 7, 1980

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected Public Protection
BRU, Program, or Subprogram(s) Affected Fire Safety
(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	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 4/7/80 PREPARED BY Michael J. Clemens
AGENCY Public Safety
PHONE 465-4336

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

33-001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (UPDATE)

I. REQUEST

Bill/Resolution No. SB 370

Title Exempting value for Fire Equipment Systems in Real Property

Requested by Senator Sturgulewsky Date 4-1-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Local Government Assistance - State Assessor

BRU, Program, or Subprogram(s) Affected Development

(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.		125.5	135.5	146.4	158.1	170.7
TOTAL		125.5	135.5	146.4	158.1	170.7

FUNDING (Thousands of Dollars)

GENERAL FUND		125.5	135.5	146.4	158.1	170.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The fiscal note for SB 370 is based upon the anticipation of State reimbursement to municipalities for revenue lost by the operation of SB 370. The dollar amounts shown were based upon the following information. The annual increase is estimated at 8% for property value inflation.

IV. DATE 4-1-80 PREPARED BY Steve Van Sant SVS

AGENCY Community & Regional Affairs

Original: Legislative Finance PHONE 465-4787

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

SB 370

Get 5 copies From Documents

Dear:

As you no doubt know, Committee Substitute for Senate bill 370, an act relating to fire prevention, passed out of the Senate CRA Committee April 1, 1980, and was referred to the Senate Finance Committee.

A tremendous amount of interest has been shown in this bill and substantial input on the background has been received, some of which negated major changes which are now incorporated into the committee Substitute. For your information, enclosed is pertinent material used by the Committeee in our deliberation of the various sections in the original bill, which appeared during the course of staff research.

Basically, incentives still remain for fire systems to be installed in structures throughout Alaska, which was the main intent of the sponsor. Unfortunately, rural Alaska, or those areas that do not charge property tax, will lose that incentive measure; but all businesses may realize the other incentive measure of applying for business loans at the lower interest rate.

Past concerns expressed by the various State agencies for the administration of the original bill has been resolved in the Committee Substitute, and all the agencies involved have stated they can now adequately work with the bill in its present form.

If you have any further questions, or concerns, please contact my office. I thought you would be interested in this brief synopsis of the Committee action, as well as receiving the additional information.

Sincerely,

Enclosures

The sponsor's main intent was to provide incentive measures for installation of fire protection systems, as well as to provide incentive measures for keeping the installation in effect, once it is installed. This bill Committee Sub. realizes these measures. Property tax exemptions are allowed for structures maintaining fire protection systems. Unfortunately, rural Alaska, or those areas that do not charge property tax will not benefit from this Statute; but all businesses may benefit from the other incentive section of applying for loans from the Business Loan Division, of the State Department of Commerce. Of course, we all realize that one incentive currently exists, and that is through the insurance charges that decrease when installation occurs.

The sponsor's intent was to provide incentive measures for installation of fire protection systems, as well as to provide incentive measures for keeping the installation in effect, once installed. The Committee Substitute retains the incentive measures to meet these goals. Property tax exemptions are allowed for structures maintaining fire protection systems; however, this section was changed from the original version to allow 2% exemption of the full and true value of the structure, with the intent for the percentage to remain effective on the original assessed value base figure through the proceeding years, as long as the system is maintained. It was unfortunately noted that rural Alaska, or those areas that do not charge property tax will not derive benefit from this incentive measure. The APUC section was deleted. The "priority" intention was deleted from the Business Loans section, as well as the section which forbid the Division from denying applicants which have present loans, or previous loans. Lastly, a new definition section was added for fire protection systems, which will be supplied and updated yearly from the Fire Marshall's Office. Past concerns expressed by the various State agencies for the administration of the original bill ~~have~~has been resolved in the Committee Substitute, and all agencies have now stated they can adequately work with the programs as outlined currently. For your information, enclosed is pertinent material used by the Committee in our deliberation of the various sections in the original bill, which appeared during the course of staff research.

If you have any further questions, or concerns, please contact my office. I thought you would be interrested in this brief synopsis of the Committee action, and hope this will give you a better understanding of the issues and concerns that were raised. No one ever objected to the concept, which has met with such enthusiasm and public support.

Sincerely,

Enclosures

Original sponsors: Colletta and Bradley

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 370

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to fire prevention."

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

* Section 1. AS 29.53.020(a) is amended by adding a new paragraph to read:

(7) real property to the extent and subject to the conditions provided in (j) of this section.

* Sec. 2. AS 29.53.020(g) is amended to read:

(g) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of (e) or (j) of this section. However, reimbursement will be made to a borough or city for revenue lost to it only to the extent that the loss exceeds an exemption which was granted by the borough or city, or which upon proper application by an individual would have been granted by the borough or city, under AS 29.53.025(a).

* Sec. 3. AS 29.53.020 is amended by adding a new subsection to read:

(j) Two percent of the assessed value of an improvement to real property is exempt from taxation if the improvement contains a fire protection system approved under AS 18.70.081, in operating condition, and incorporated as a fixture or part of the improvement. The exemption granted by this subsection is limited to

(1) an amount equal to two percent of the value of the fire protection system based on the assessment for 1981, if the fire protection system is a fixture of the real property on January 1, 1981; or

(2) an amount equal to two percent of the value of the fire

protection system during the year of its installation if the fire protection system becomes a fixture of the property after January 1, 1981.

* Sec. 4. AS 45.95.020(a) is amended to read:

(a) The commissioner shall, under regulations and policies adopted by him, make small business loans to acquire, finance or refinance or equip businesses, including farming equipment, <u>fire protection systems approved under AS 18.70 081,</u> mining and fishing, not exceeding $500,000. The loans shall be secured by acceptable collateral and may not exceed 75 percent of the appraised value of the collateral offered as security. The rate of interest may not exceed nine and one-half percent a year on the unpaid balance.

* Sec. 5. AS 44.33.170 is amended by adding a new subsection to read:

(b) Tourist attraction development matching money may also be obtained for the purpose of purchasing and installing a fire protection system approved under AS 18.70.081 for a building used or to be used for the purposes described in (a) of this section.

* Sec. 6. AS 18.70 is amended by adding a new section to read:

Sec. 18.70.081. APPROVAL OF FIRE PROTECTION SYSTEMS. Before October 30 of each year the Department of Public Safety shall make available a list of approved fire protection systems to the Department of Community and Regional Affairs, the Department of Commerce and Economic Development, and the public.

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Marie Pignalberi
Deputy Commissioner

DATE: March 10, 1980

FILE NO:

THRU: Palmer McCarter
Director

TELEPHONE NO:

FROM: Steve Van Sant
Assistant State Assessor

SUBJECT: Comments on SB 370

This is a followup of the memorandum dated 3/5/80 to Deputy Commissioner Marie Pignaiberi regarding concerns on SB 370.

Upon obtaining more information and talking with some of the assessors in the state, we would like to add the following information:

1. According to Anchorage Assessor, Pat McKee, this bill would be almost impossible for him to administer. The reason being that Anchorage does not value commercial property (where most fire protection equipment exists) by the cost approach, but by the income approach. The income approach is simply estimating market value by the income a building is capable of making. For example, assume there are two motels in Anchorage, side by side, and both were very similar. Further assume that one had sprinklers and the other one did not. The estimated value of one motel would probably be within 1%-5% of the value of the other, assuming the room rents were comparable. In this instance, there would be no value given on fire protection equipment, therefore, it would be very difficult to conform with SB 370.

2. As stated in our previous memorandum, we are concerned as to what value the assessor is expected to exempt, cost of equipment, cost of equipment and labor, or estimated market value. If it is to be the cost of the equipment, would the assessor take the actual cost to the owner, or the average cost to any property in general?

3. This bill does not require reimbursement by the state for revenues lost to the municipality by the implementation of this bill.

4. The property owner in the unorganized borough who plans to install fire protection equipment would not realize any incentive under this program (and, in our minds, if the bill is to be an incentive for installation of fire suppression systems, rural Alaska or the unorganized borough is where the greatest need exists).

ALTERNATIVE 1

For your information, we have attached pages from the "Marshall Valuation Service". This valuation service is used world wide by many assessors. Nearly all assessors in Alaska who value commercial property by the cost approach utilize this guide.

On one of the pages, it indicates that the approximate portion of the total cost for "sprinklers" in an office building is 1.9%.

If it is the intent of the legislature to pass a bill whereby the incentive is an exemption of property taxes, the Department would suggest amendments to SB 370 as follows:

1. Remove this exemption from AS 29.53.060 (Full and True Value) and place it in AS 29.53.020 (Required Exemptions).

2. State the amount to be exempted if a structure does have fire protection equipment. This could be done easily by stating, "The exempted amount of this exemption shall be 2% of the full and true value of the building as determined by the assessor under AS 29.53.060."

3. The state should reimburse the municipality any revenue lost to it by the implementation of this bill.

4. There should be a time limit of three years placed upon the exemption. This would allow time for the taxpayer to amortize his investment, but not be an on-going give away program.

5. Existing structures could be granted the same 2% exemption for three years to be equitable. (Although, again, if the intent is to encourage installation of a fire suppression system, only new structures should be included in the bill).

Alternative 2

If the intent of SB 370 is to offer incentives to property owners planning new construction and encourage the inclusion of fire protection systems in new structures, the Department suggests that a program similar to the following be considered.

For equity proposes, the state would adopt a normal cost schedule for fire protection systems. An example of such a cost schedule is presented in the attachments, page No. 2 from the Marshall Valuation Service. In conjunction with this schedule, Marshall Valuation Service also provides "local multipliers" which bring the normal cost schedule

into line with costs in Alaska. The local multiplier for the schedule is 1.97.

After adoption of a schedule, the Department could then compute the "normal cost" of a fire protection system by applying the schedule to each structure which applied for the program. For example, if an application were received for a 10,000 sq. ft. building, the normal costs would be obtained as follows:

10,000 sq.ft. X $1.15 X 1.97 = $22,655.00

After the normal costs were calculated, the incentive program would offer a grant to the property owner of 5% of the computed normal cost. Therefore, the property owner would receive $1132.75 ($22,655 X 5%) from the state. The normal costs could be updated on an annual basis to reflect current estimated normal costs.

Attachments

Frank -

Here is the group of commission orders in regard to the request of AWU to reduce spreader rates. Will keep you informed.

CG

Also, I need to be in D.C. for meetings the week of Feb. 25 - If the Senate Armed Hearings could be other than that week, it would

accommodate
my schedule. If
this is not possible,
would you let
me know so I
can cancel my
trip
Thanks

CG

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	U-79-14 ORDER NO. 1

ORDER SUSPENDING TARIFF AND INSTITUTING AN INVESTIGATION

On August 29, 1978, ANCHORAGE WATER UTILITY (AWU) filed a tariff revision TA18-122, requesting authority to reduce its rates to owners of sprinkler fire protection systems. The Staff of the Commission subsequently observed that the proposed reduction was based on incorrect revenue requirements and therefore recommended that AWU withdraw its request and refile with the correct revenue requirement data.

Accordingly, on January 2, 1979, a corrected tariff revision was refiled with the Commission by AWU and designated as TA19-122.

According to AWU, the proposed rate reduction is expected to decrease the annual revenue derived from this schedule of services from $227,394 to $178,034, which amount will be absorbed by the utility until its next comprehensive rate proceeding.

AWU further indicated that the filing was made at the request of the administration and Borough Assembly of the Municipality of Anchorage. The filing is the result of a reduction

in water flow requirements for sprinkler heads from 6,000 gallons per minute (gpm) to 3,000 gpm. The reduction followed discussions between AWU personnel and personnel of the Insurance Services Organization offices in San Francisco, California.

The Commission has reviewed the proposed tariff revision and believes that there are broader considerations than those indicated by AWU that must be addressed before approval. Those considerations include, but are not limited to:

1. The justification for reduction in water demand for sprinkler systems.
2. The effect of the reallocation of water demand investment to utility rate payers.

The Commission further believes that an investigation into the reasonableness and propriety of reduction in sprinkler rates should be instituted.

THE COMMISSION FURTHER FINDS AND CONCLUDES:

1. That it is in the public interest to suspend the AWU request pending an investigation by the Commission.

2. AWU should be placed on notice that an investigation or public hearing in this proceeding might cause the Commission to require refunds to the affected parties.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The operation of the tariff revision, designated as TA19-122, which was filed by Anchorage Water Utility, is suspended for an initial period not to extend beyond August 15, 1979.

2. An investigation is instituted into the reasonableness and propriety of the proposed rates.

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-6222

3. Anchorage Water Utility shall refund any excess revenues collected under its private fire protection (Schedule E tariff rates during the period of suspension if the existing rates are subsequently found to be excessive.

DATED AND EFFECTIVE at Anchorage, Alaska, this 15th day of February, 1979.

BY DIRECTION OF THE COMMISSION
(Chairman Gordon J. Zerbetz and Commissioner Susan M. Knowles not participating)

(S E A L)



ALASKA PUBLIC UTILITIES COMMISSION
FEDERAL RAILWAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0422

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	U-79-14 ORDER NO. 2

ORDER GRANTING PETITION TO INTERVENE
AND ESTABLISHING DISCOVERY PROCEDURES

On January 2, 1979, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU) filed a tariff containing reduced rates for "private fire protection service". On February 1, 1979, WESTERN ENTERPRISES, INC. (Western) and JIM FAIKS (Faiks) filed with the Commission a Notice of Objection to Tariff Filing and Petition to Intervene (Petition). The Petition was verified and showed that Faiks is the owner or part owner of 10 commercial buildings, that those buildings have fire protection sprinkler systems, and that AWU takes the position that its "private fire protection service" charge can be levied against those buildings. The Petition also showed that the charge to Western for "private fire protection" is about $9,000 a year and alleged that the charge is being assessed selectively in violation of AS 42.05.371.

The Petition asked that Western and Faiks be allowed to intervene in these proceedings, that the new tariff take effect but that all collections be made subject to refund, that

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0222

the intervenors be granted reasonable rights of discovery, and that a pre-hearing conference be scheduled. AWU has not responded to the Petition.

On February 15, 1979, the Commission issued Order No. 1 in these proceedings which suspended the tariff and initiated an investigation. The Commission did not at that time rule on the Western/Faiks requests to intervene and to be granted rights of discovery.

Based on 3 AAC 48.110, the Commission finds that:

1. There is no means other than intervention by which the rights of Faiks and Western can be protected in this proceeding and there is no existing party who can represent the interests of Western and Faiks.

2. The participation of Faiks and Western will contribute to the development of a sound and complete record.

3. The participation of Western and Faiks will not broaden the issues presented or delay the proceedings.

4. Any order issued by the Commission in these proceedings may affect the financial interests of the owners of the buildings managed by Western.

The Commission also finds that it is appropriate to grant Faiks and Western reasonable rights of discovery because the granting of discovery rights will expedite and streamline these proceedings. In making this finding, the Commission notes that the business records of AWU are available to the Commission and its Staff and that the Commission files are, with limited exceptions, public records as a matter of law. See AS 09.25.120.

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0222

ORDER

THE COMMISSION FURTHER ORDERS:

1. The Petition of Western Enterprises, Inc., and Jim Faiks to intervene in this proceeding is granted; as to intervenors, they become parties to this proceeding.

2. Western Enterprises, Inc., and Jim Faiks shall be permitted reasonable rights of discovery. Specifically, they shall be permitted to request from the Municipality of Anchorage d/b/a Anchorage Water Utility production of documents and other materials and answers to interrogatories which are admissible or which may lead to evidence admissible in these proceedings. Western Enterprises, Inc., and Jim Faiks, when making discovery requests, and Anchorage Water Utility, when responding to discovery requests, shall be guided generally by the Rules of Civil Procedure governing these requests.

DATED AND EFFECTIVE at Anchorage, Alaska, this 16th day of March, 1979.

BY DIRECTION OF THE COMMISSION

(S E A L)



ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0422

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	U-79-14 ORDER NO. 3

ORDER SETTING DATES FOR FORMAL HEARING AND PREFILED TESTIMONY

On February 29, 1979, the Commission suspended TA19-122 for an initial period not to extend beyond August 15, 1979. In its conclusions for this action the Commission noted that it would be in the public interest for the Commission to more thoroughly investigate this matter and in addition, placed the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU) on notice that its investigation might require refunds to the affected parties.

On March 16, 1979, the Commission granted WESTERN ENTERPRISES, INC. (Western) and JIM FAIKS (Faiks) its petition to intervene as parties to this proceeding and reasonable rights of discovery.

Under its authority to regulate the conduct of its public hearings, the Commission will require AWU, Western - Faiks and Commission Staff to present prepared written testimony instead of oral direct testimony under 3 AAC 48.150(f). Parties will also be

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338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-3422

required to submit a list of witnesses in their order of appearance with their written testimony. The parties will be specifically precluded from calling witnesses who have not submitted prepared testimony. AWU and Western-Faiks will be required to submit prefiled testimony and witness lists by 4:30 P.M., July 13, 1979. The Commission Staff will submit its prefiled testimony and witness lists by 4:00 P.M., July 20, 1979.

ORDER

THE COMMISSION FURTHER ORDERS:

1. A public hearing is scheduled to convene at 9:00 A.M. on July 30, 1979, in the Commission's hearing room, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska.

2. Anchorage Water Utility, Western Enterprises and Jim Faiks shall file before 4:00 P.M., July 13, 1979, a list of witnesses in their order of appearance and written testimony instead of oral direct testimony for each witness.

3. Commission Staff shall file before 4:00 P.M., July 20, 1979, a list of witnesses in their order of appearance and written testimony instead of oral direct testimony for each witness.

DATED AND EFFECTIVE at Anchorage, Alaska, this 27th day of June, 1979.

BY DIRECTION OF THE COMMISSION
(Commissioner Susan M. Knowles not participating)

(S E A L)

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0222

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	U-79-14 ORDER NO. 4

ORDER GRANTING STAY OF PREVIOUS ORDER
AND SUSPENDING TARIFF REVISION

On June 26, 1979, the Commission issued Order No. 3 setting the date of July 30, 1979, for a public hearing in this proceeding and requiring the parties to file written pre-filed testimony.

On July 9, 1979, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU) and WESTERN ENTERPRISES, INC., and JIM FAIKS (Western) jointly moved the Commission to stay Order No. 3 and to delay indefinitely the deadlines established in that Order. AWU stated it intended to file a revision to TA19-122 which would "involve different allocations, substantial shifting of costs and a significant change in the proposed rates" (Motion, p. 2). The Motion for Stay of Order and Stipulation also indicated that Western has considered and discussed the anticipated revisions and expects to stipulate to recommend its approval.

It is apparent that the revision the parties propose to TA19-122 will require an entirely new technical and financial

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1100 MACKAY BUILDING
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PHONE 276-0222

analysis. Such a substantial revision has the effect of withdrawing one tariff revision and substituting another. Under 3 AAC 48.310(g) if a suspended tariff is withdrawn by a utility and later refiled, the Commission may, in its discretion, suspend it again for the full statutory period.

Since AWU desires to revise TA19-122 substantially the Commission will stay the operation of Order No. 3 and continue all deadlines established in that order indefinitely. The Commission will extend the suspension period of TA19-122 ordered in Order No. 1 indefinitely pending receipt of the supplemental tariff revision.

The Commission received a number of protests to the original filing from the public. Since the supplemental filing is expected to substantially alter the sprinkler rates proposed, the Commission will notice the new filing to the public pursuant to AS 42.05.411(a) and 3 AAC 48.280 and under 3 AAC 48.310(g) suspend the revised filing for further investigation.

AWU continues to be bound during the initial and any subsequent suspension periods of TA19-122 by the following refund procedure established in Ordering Paragraph No. 3 of Order No. 1:

> 3. Anchorage Water Utility shall refund any excess revenues collected under its private fire protection (Schedule E) tariff rates during the period of suspension if the existing rates are subsequently found to be excessive.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The motion for Stay of Order and Stipulation, dated July 5, 1979, and jointly filed by the Municipality of

PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0422

Anchorage d/b/a Anchorage Water Utility and Western Enterprises, Inc., and Jim Faiks, is granted.

2. The operation of the tariff revision, designated as TA19-122, is suspended indefinitely pending the utility's compliance with Ordering Paragraph No. 3 infra.

3. On or before September 15, 1979, the Municipality of Anchorage d/b/a Anchorage Water Utility shall file with the Commission its revised tariff for sprinkler rates and supportive documents.

4. All other conditions set forth in previous Commission orders in this proceeding remain in effect.

DATED AND EFFECTIVE at Anchorage, Alaska, this 13th day of July, 1979.

BY DIRECTION OF THE COMMISSION
(Commissioner Carolyn S. Guess not participating)

(S E A L)



ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276 0422

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	U-79-14 ORDER NO. 5

ORDER EXTENDING TIME FOR REVISED TARIFF FILING

On September 17, 1979, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU) filed a motion for an extension of time to file its revised tariff as directed by Order No. 4 in this proceeding, dated July 13, 1979. AWU stated in this motion that its proposed revisions to fire protection rates are presently undergoing further review by the Municipal Administration (Mayor and Executive Committee). The utility also indicated that the Municipal Assembly might request a public hearing and that in view of this process a 45 day extension of the Commission's filing deadline will be required.

AWU further states that the necessity for this motion has been discussed with Counsel for WESTERN ENTERPRISES, INC., and JIM FAIKS, intervenor in this proceeding, and he has indicated that the intervening party will not oppose this motion.

Since AWU desires to revise TA19-122 substantially, as discussed in Order No. 4 in this matter, the Commission is of the opinion that it would be in the public interest to extend its deadline for filing a revised tariff for an additional 45 day period as requested by AWU.

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-6222

ORDER

THE COMMISSION FURTHER ORDERS:

1. The Motion for Extension of Time, dated September 17 '79, is granted.

2. On or before November 2, 1979, the Municipality of Anchorage d/b/a Anchorage Water Utility shall file with the Commission its revised tariff and supportive documents for fire sprinkler rates.

DATED AND EFFECTIVE at Anchorage, Alaska, this 26th day of September, 1979.

BY DIRECTION OF THE COMMISSION
(Commissioners Susan M. Knowles and
Stuart C. Hall not participating)

(S E A L)



1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0222

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	U-79-14 ORDER NO. 6

ORDER SCHEDULING PRE-HEARING CONFERENCE

On July 9, 1979, the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU) and WESTERN ENTERPRISES, INC. and JIM FAIKS (Western) jointly moved the Commission to stay Order No. 3 in this proceeding and delay indefinitely the public hearing set by that Order. The Commission granted the motion for stay based on AWU's desire to substantially revise TA19-122 and ordered that a revised tariff for sprinkler rates together with supporting documents be filed by September 15, 1979.

On September 17, 1979, AWU filed a motion to extend the deadline for filing the revised tariff for an additional 45 days, until November 2, 1979. The Commission granted this motion in Order No. 5.

AWU failed to meet the November 2, 1979, deadline. On December 17, 1979, Western filed a motion to eliminate retroactively to January 2, 1979 the private fire protection charges until AWU files a new tariff. The motion also states that AWU notified the attorney for Western that it

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-6222

could not file the tariff as planned for a variety of reasons and that the utility had made no decision as to exactly what the tariff should be.

The Commission believes that at this point in time it would be most expeditious to schedule a pre-hearing conference between the parties, in accordance with 3 AAC 48.140, at which time AWU will be given an opportunity to explain its failure to file a new tariff. Also, the pre-hearing conference will afford an opportunity to explore possible courses of action to resolve the issues in this proceeding.

ORDER

THE COMMISSION FURTHER ORDERS, That, a pre-hearing conference be held at 9:00 A.M. on January 21, 1980, in the Commission hearing room, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska, to give the Municipality of Anchorage d/b/a Anchorage Water Utility and the parties an opportunity to delineate the issues and problems in establishing just and reasonable sprinkler fire protection rates.

DATED AND EFFECTIVE at Anchorage, Alaska, this 11th day of January, 1980.

BY DIRECTION OF THE COMMISSION
(Commissioner Susan M. Knowles not participating.)

(S E A L)

ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-6222

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners: Gordon J. Zerbetz, Chairman
Marvin R. Weatherly
Carolyn S. Guess
Susan M. Knowles
Stuart C. Hall

In the Matter of the Filing of a Tariff Revision, Designated as TA19-122, by The MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY to Decrease Sprinkler Fire Protection Rates	U-79-14 ORDER NO. 7

ORDER RESCHEDULING PRE-HEARING CONFERENCE

On January 11, 1980, the Commission issued Order No. 6 in this proceeding which among other things scheduled a pre-hearing conference to give the MUNICIPALITY OF ANCHORAGE d/b/a ANCHORAGE WATER UTILITY (AWU) and the parties an opportunity to delineate the issues and problems in establishing just and reasonable fire protection rates.

Subsequently, it was learned that it would be necessary to postpone the pre-hearing conference to accommodate the convenience of the parties.

Accordingly, the Commission will reschedule the pre-hearing conference to February 11, 1980.

ORDER

THE COMMISSION FURTHER ORDERS, That, the pre-hearing conference previously scheduled for 9:00 a.m., January 21, 1980, will be held at 9:00 a.m. on February 11, 1980, in the Commission hearing room, 1100 MacKay Building, 338 Denali Street, Anchorage, Alaska, at which time the

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1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-6222

parties will be given an opportunity to delineate the issues and problems in establishing just and reasonable sprinkler fire protection rates.

DATED AND EFFECTIVE at Anchorage, Alaska, this 21st day of January, 1980.

BY DIRECTION OF THE COMMISSION
(Commissions Carolyn S. Guess and
Gordon J. Zerbetz not participating)

(S E A L)



ALASKA PUBLIC UTILITIES COMMISSION
1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501
PHONE 276-0222

3/27/80

Twyla,
Kindly excuse handwriting but am doing this in evening without secretary and typewriter. When I left office a while ago I weighed envelope & included an extra sheet of paper so here goes!

Most of enclosed items are self explanatory:
I made up the sheet with comparative rates and footnote explanation of source of 3rd. column. Please note that this material is from a docket that is still open re Anch. Water Utility – U-79-14.

Also enclosed 2-page summary of the APUC staff study of sprinkler rates in Alaska & Pacific Northwest. As I mentioned on phone, the first question was outside of our purview but was asked in an attempt to assess overall impact on this class of consumer. This first question was poorly prepared – it actually requires two answers, but an honest interpretation of the answer sheets is that most of the answers appear to be directed at the first part of the question.

I also am enclosing a sampling of answer sheets on both sides of the questions. I tried to choose some that had more than a terse "yes" or "no". Some of the comments are interesting. The Ketchikan comments were quite detailed. Note that Ketchikan uses different ~~different~~ methodology. Instead of setting a demand charge they charge for the number of sprinkler heads. Another deviation from demand charge was at Burley, Idaho where they charged on basis of property frontage –

I will be out of town over weekend but

will be in office early Tues. morning — Should be there by 9:00 AM your time — or feel free to call me at home (279-9971) after 8:00 AM your time if you have any questions —

Regards,
Gordon Farley

Will drop this at airport P.O. tonight & have spare & telecopy if doesn't get there on time but am quite sure we have comfortable margin — G.

Ketchikan, Alaska (42)

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

RECEIVED
A.P.U.C.
AUG 6 3 36 PM '79

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

ANS. Increase due to increased property evaluation as the sprinkler system is a unit of the property.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

(See sheet attached.)

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

(See sheet attached.)

HOLM

Q. 2. No. Not a demand charge. However, the customer is charged for automatic sprinkler fire protection service under Rate Schedule "F-2" of the Ketchikan Municipal Code by the Ketchikan Public Utilities.

Q. 3. No tax. The water system is owned and operated by the City of Ketchikan dba Ketchikan Public Utilities (KPU) who have not only the water system of Ketchikan, but also Electric and Telephone utilities. The Utilities are a separate financial entity from the General Government of the City of Ketchikan. KPU cannot tax. KPU's revenue is not derived from taxes, but only from services.

The City Charter of the City of Ketchikan is very specific as regards the Ketchikan Public Utilities. An excerpt from Article VIII, Public Utilities and Enterprises, will clarify the inability to provide any service without charge.

"None of the income, money, resources or property of the Water system Electric system or Telephone system, shall be placed in the General fund (City) or be used for the benefit of anything outside of the fund to which it belongs without due compensation or due value received in return."

Donald D. Bowey
Utilities Manager
8-2-79

Section 11.16.100 Automatic sprinkler fire protection service

Schedule "F-2" Ordinance No. 911

KETCHIKAN PUBLIC UTILITIES

Water schedule "F-2", automatic sprinkler fire protection service, shall be as follows:

(1) Availability. This schedule is available at the option of the utilities within the city limits of Ketchikan where size of mains and other facilities are adequate.

(2) Character of Service. Water service under this schedule shall be for the supply to "dry pipe" automatic sprinkler systems for fire protection only.

(3) Rate.

200 heads, or less	$102.55 per year
Additional, to 500 heads	.31 per head per year
Additional, to 1,000 heads	.20 per head per year
Additional, over 1,000 heads	.13 per head per year

(4) Minimum Charge: $102.55 per year

(5) General Provisions.

(A) Charges to be billed monthly.

(B) All fire protection lines, sprinkler, pipes and valves on private property shall be owned, installed and maintained by the owner and/or customer.

(C) All connections between utilities mains and privately owned facilities will be made at the expense of the customer.

(D) At the option of the utilities this service may be metered. The meter and the installation thereof shall be at the expense of the customer.

(E) No tap or outlet for use other than fire protection shall be permitted on fire lines or mains unless approved by the utilities.

(6)

RECEIVED
A.P.U.C.
AUG 20 2 56 PM '79

Homer, Alaska

August 10, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

a.) no

b.) Whether the property owner subsequently pays more tax because property must be assessed at its full and true value based on open market conditions according to AS 29.53. Whether a sprinkler system has an impact on the market value is best addressed by the borough assessor or a private real estate appraiser. As a 1st class city in a 2nd class borough, we do not determine our local property evaluations.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

a.) Not at present.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

a.) Not at present.

(3)

RECEIVED
A.P.U.C.
AUG 23 2 28 PM '79

Juneau, Alaska

August 10, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Neither — No effect on either instance

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

NO

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

NO

(2)

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576
TELEPHONE (907) 842-5211 or 842-5212

August 28, 1979

Mr. John F. Jewell, Deputy Dir.
Alaska Public Utilities
State-Dept. of Commerce & Economic Dev.
1100 MacKay Building
338 Denali Street
Anchorage, Alaska 99501

Re: Private Sprinkler Fire Protection

Dear Mr. Jewell:

1. The City of Dillingham does not give any tax break to property owners installing sprinkler system.

2. Our water demand rates are based on the size water line provided.

The city does not impose a special fire hydrant or fire protection tax.

A copy of our Water/Sewer Ordinance introduced August 16th is enclosed.

Sincerely,

Laura M. Schroeder

Laura M. Schroeder
City Manager

LMS/vb

enclosure

RECEIVED
A.P.U.C.
AUG 30 3 02 PM '79

RECEIVED
A.P.U.C.
AUG 16 12 28 PM '79

37

August 10, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Neither - Stays same

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

No

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

No

[redacted]ska

(12)

RECEIVED
A.P.U.C.
AUG 16 12 30 PM '79

August 10, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation? NO

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service? [redacted] Yes $43.00
Ordinance 74-7 section 20-120
based upon connection size

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

NO

(10)

Petersburg, Alaska

City of Petersburg
Bruce Aronson
City Manager
8-15-79

August 10, 1979

RECEIVED
A.P.U.C.
AUG 17 2 27 PM '79

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Value of property increases – ergo taxes rise. See Alaska Statutes for restrictions on reducing assessed values – see also State Assessor in Juneau

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

~~Yes, size~~ No – however there is a demand charge for size of water line to building.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

No – I don't think state law permits what you think it does. See State Assessor.

SEWARD

August 10, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Property is assessed at a higher value but usually receives a reduction in fire insurance rates

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service? No

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality? No

Baker, Oregon

49

JAY S. HAMMOND, Governor

RECEIVED
A.P.U.C.
AUG 3 11 42 AM '79

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

There is no tax break for installing a sprinkler system, tax is paid on the assessed valuation.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

Yes, method to compute demand charge not known.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

No.

City of Baker, Oregon

Enc. 1

(1)

Astoria, Oregon

JAY S. HAMMOND, Governor

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PM '79

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

RECEIVED
CITY OF VICTORIA
JUL 19/9
PM
1,2,3,4,5,6

July 24, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

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Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

No

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

Yes Size of service line

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

No

LH

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A.P.U.C.
AUG 9 12 32 PM '79

Coeur D'Alene, Idaho 52

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

RECEIVED
A.P.U.C.
AUG 9 12 32 PM '79

Gentlemen:

Re: Private Sprinkler Fire Protection

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Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Reply: 8-3-79

A. 1. Taxes are not effected. Normally the owner will enjoy a better premium in his Insurance rates only.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

A. 2. Yes. A rate analysis was conducted by a consulting firm to determine the rate.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

A. 3. No, just the minimum demand c arge.

MGLH

Burley, Idaho

32

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A.P.U.C.
JUL 30 2 28 PM '79

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

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Re: Private Sprinkler Fire Protection

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Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

No

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

25¢ per sq ft of frontage or a minimum charge of $15.00 per year.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

Yes - $4.00 per month

TACOMA

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

RECEIVED
A.P.U.C.
AUG 3 11 33 AM '79

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

No, he does not receive a tax break. The owner could pay more tax due to an increased property evaluation.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

The owner must take a regular water service before qualifying for a special separate fire service. A monthly service charge is imposed based on the operation and maintenance cost of the meter and service pipe.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

No, he is not. The municipality makes a small contribution towards the calculated cost of fire protection.

SEATTLE

If possible, the Commission would also like to receive a list of private sprinkler rates currently used by your municipal water utility.

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John F. Jewell
Deputy Director

IWM:gb

Section 33. That as of January 1, 1975, all water used for domestic and commercial purposes shall be supplied by meter only at the following rates and charges.

The rates for metered water supplied to premises within the City of Seattle in one month, or fractional part thereof, shall be in accordance with the following schedule:

SERVICE SIZE	CONSUMPTION QUANTITY ALLOWED	MINIMUM CHARGE
¾ inch	300 cu. ft.	$ 2.10
1 inch	600 cu. ft.	2.80
1½ inch	1200 cu. ft.	4.10
2 inch	2000 cu. ft.	5.80
3 inch	3400 cu. ft.	8.70
4 inch	4900 cu. ft.	12.00
6 inch	7100 cu. ft.	16.50
8 inch	10000 cu. ft.	23.00
10 inch	14300 cu. ft.	31.50
12 inch	20000 cu. ft.	44.00

Each one hundred (100) cubic feet in excess of the quantities allowed for the foregoing minimum charges except as hereinafter provided.. $ .213

Each one hundred (100) cubic feet in excess of the first thirty thousand (30,000) cubic feet .....$ .142

Each separate building or premises in addition to the first or principal building or premises supplied through the same service connection, five hundred (500) cubic feet or less $2.50

Provided, that the terms "separate building or premises" shall not apply to trailer parks or trailer courts, which shall be governed as to water rates by the number and sizes of services and quantity of water used under the previous schedule.

Water supplied to municipal departments of the City of Seattle, each one hundred (100) cubic feet in excess of the quantity allowed for the foregoing minimum charges .....$ .112

The rates for water supplied for fire protection purposes exclusively shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

SIZE OF SERVICE	SERVICE CHARGE
2 inch	$ 1.85
3 inch	2.75
4 inch	3.90
inch	5.40
inch	7.10
10 inch	9.75
12 inch	11.70

The service charges hereinabove set forth shall be granted only during such times as there is no appreciable registration by the meter maintained by the City on such fire protection services.

Water used for any other purpose than for extinguishing fires, through a fire protection service, shall be charged at a rate double the common rate provided for in this ordinance.

← Domestic and commercial rates and fire service charges for inside the City limits of Seattle, Washington. Outside the City limits, rates are slightly higher for the same services.

Battle Ground, Washington

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

RECEIVED
A.P.U.C.
AUG 6 3 45 PM '79

Gentlemen:

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Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

HGLH

EVERETT, WASH.

Service connection installations larger than the two-inch size shall be charged at the actual cost of the complete installation.

5. Delinquent penalty charge:
(See § 14.16.690) $15.00

6. Special charges:
   a. Turn-on requested less than thirty days after turn-off requested (See § 14.16.280) ..... $10.00 each
   b. Shut-off and turn-on requested for premises where customer's stop and waste valve should have been used (See §§ 14.16.220 and 14.16.250) ..... $10.00 each
   c. Turn-on or shut-off requested for a time other than regular hours (See § 14.16.250) ..... $30.00 each

7. Fire Service. The rates for water supplied exclusively for fire protection purposes shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

Size of Service	Service Charge
4 inches	$ 4.00
6 inches	5.50
8 inches	7.50
10 inches	10.00
12 inches	12.00

B. Outside the City Limits.

1. Individual Meters. The consumption and minimum monthly charges for individual metered services outside the city limits shall be computed in the same manner as for metered customers within the city and then a surcharge of twenty-five percent of this amount shall be added to the charge so computed to arrive at the total monthly water charge.

2. Master Meters.
   a. The consumption charges for master meters outside the city limits shall be computed in the same manner as for individual metered services outside

meter. In the case of premises for which both fire protection and other water service for such uses as domestic, commercial, industrial, or manufacturing purposes is supplied, there may be two service installations made to the premises; one for fire service only and one for other water service. These service functions may also be combined in a single service connection with the approval of the water department.

In the event two separate service connections are installed, the fire protection system so served shall consist of an automatic sprinkler system only, without additional outlets which could normally be used for other than fire suppression purposes. (Ord. 1561 (part), 1971).

6.21.04. Fire service monthly service charges. (a) The minimum monthly rates for inspection and maintenance of detector check systems are fixed as follows:

FIRE SERVICE OR DETECTOR METER SIZE	MONTHLY SERVICE CHARGE
2"	$ 5.00/month
3"	5.00/month
4"	5.00/month
6"	7.50/month
8"	10.00/month
10"	15.00/month

Water used through the fire service line for fire suppression purposes and limited testing of the system will normally be furnished without any charge in addition to the monthly minimum charge set forth for fire service meter or detector check meter.

(b) If a detector check meter proves, or proof otherwise provided, leakage or unauthorized usage of water which is not for fire suppression purposes, the customer shall pay for all water used at the applicable metered rate. The rates for water so used are fixed as follows: At the time of first written notice from the city water department the applicable rate shall be the same as the domestic rate for comparable size of domestic water meter for unauthorized use over one hundred cubic feet per month; in the event the unauthorized use again occurs after the period of time specified in the written notice from the water department the rate shall be double the domestic rate for a comparable size domestic water meter for such unauthorized use over one hundred cubic feet per month.

(c) References made by this chapter as to existing metered rates shall be to Chapter 6.20 of the Edmonds city code. (Ord. 1561 (part), 1971).

6.21.050 Violation--Penalty. In addition to all civil rights of collection, liens, shut-offs and other remedies available to the city of Edmonds as prescribed by statute and ordinance for unauthorized use and/or nonpayment of charges, any person, firm, corporation or other organization, including any officers, directors and managers thereof, who violate any provision of this chapter shall be guilty of a misdemeanor and subject to penalties as set forth in Section 5.12.170 of the

This study was initiated prior to this legislative session for informational purposes in APUC Docket U-79-14, Re Anchorage Water Utility.

In July 1979, the Commission Staff mailed questionnaires to all known municipal water utilities within Alaska and to several municipal water utilities in the northwestern United States. The questionnaire consisted of three questions:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

Of approximately 40 questionnaires sent within Alaska, 13 replies were received and of 93 questionnaires sent out of state 42 replies were received.

TABULATION OF REPLIES

Alaska	Question #1	Question #2	Question #3
Cordova	No *	No	No
Dillingham	No	Yes	No
Homer	No	No	No
Juneau	No	No	No
Kenai	No	No	No
Ketchikan	No	Yes	No
Kodiak	No	No	No
Nome	No	No	No
North Pole	No	Yes	No
Petersburg	No	Yes	No
Seward	No	No	No
Sitka	No	No	No
Skagway	No	No	No
Total Yes:	0	4	0
No:	13	9	13
Idaho			
Burley	No *	Yes	Yes
Couer d'Alene	No	Yes	No
Moscow	No	No	No
McCall	N/A	N/A	N/A (Sewer Utility)
Mountain Home	No	No	No
Total Yes:	0	2	1
No:	4	2	3
N/A:	1	1	1

* Most of the "No" answers on question #1 appear to be directed to the first part of the question. There were several "Neithers."

Note: All of the cities listed here appear to have city owned water systems. Information was previously supplied to the committee re privately owned water utilities such as Central Alaska Utilities, College Utilities Corporation, etc., and the regulated Municipal Water Utility, Anchorage Water Utility.

Oregon

Ashland	No *	Yes	No
Astoria	No	Yes	No
Baker	No	Yes	No
Canyonville	No	No	No
Central Point	No	Yes	No
Clackamas County	No	N/A	N/A (Not Water Utili
Coquille	No	No	No
Corvallis	No	Yes	No
Cottage Grove	No	No	No
Lowell	N/A	No	No
Portland	No	Yes	No
Reedsport	No	No	No
Roseburg	No	Yes	No
Salem	No	No	No
Sandy	No	No	No
Stayton	No	Yes	No
Total Yes:	0	8	0
No:	15	7	15
N/A:	1	1	1

Washington

Anacortes	N/A	Yes	No
Battle Ground	No *	No	No
Blaine	No	No	No
Cheney	No	No	No
Clinton	N/A	N/A	N/A (No sprinkler systems)
Edmonds	No	Yes	No
Everett	No	Yes	No
Fircrest	No	No	No
Forks	No	No	No
Longview	No	Yes	Yes
Moses Lake	No	No	Yes
Okanogan	No	Yes	No
Olympia	N/A	Yes	No
Pasco	No	Yes	No
Port Angeles	No	Yes	No
Pullman	No	No	No
Seattle	No	Yes	Yes
Tacoma	No	Yes	No
Union Gap	N/A	Yes	Yes
Wenatchee	No	Yes	No
Yakima	No	Yes	No
Total Yes:	0	13	4
No:	17	7	16
N/A:	4	1	1

* Most of the "No" answers on question #1 appear to be directed to the first part of the question. There were several "Neithers".

Note: All of the cities listed here appear to have city owned water systems. Information was previously supplied to the committee re privately owned water utilities such as Central Alaska Utilities, College Utilities Corporation, etc., and the regulated Municipal Water Utility, Anchorage Water Utility.

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
(907) 465-3712

March 25, 1980

Mr. Dave Walsh, President
Alaska Municipal League
c/o Pouch 6-650
Anchorage, Alaska 99502

Dear Dave:

The ability for municipalities to have a fair and equitable tax base is absolutely critical to healthy local government. I would like to urge the Alaska Municipal League, possibly in conjunction with the Alaska Native Foundation, RuralCap and others, to undertake, prior to next session, a major review of the kind and amount of taxes that the various classes of municipalities can levy and collect. The current Legislature is addressing House Bill 192, dealing with municipal revenue sharing, and Senate Bill 199, dealing with the school foundation program. These two areas provide major cornerstones for municipal school revenues. A third cornerstone, real and personal property tax, is currently faced with possible erosion and decreased credibility.

The Senate Community and Regional Affairs Committee has some twelve bills pending which impact the municipal property tax by allowing certain classes of exemptions, imposing restrictions, etc. Some, but not all, of these bills allow the municipalities to be reimbursed for the changes in their ability to levy and collect real and personal property taxes. Certainly the bills carry a major fiscal impact. I am enclosing a summary of the bills currently before my Committee. Many other tax bills affecting municipalities are before the Legislature, such as changes in the amount of sales tax which can be levied in certain municipalities and elimination of the business inventory tax.

Relating specificially to real and property taxes, it seems to me that policies must be established regarding possible exemption. If such policies are not developed, we will create a hodgepodge of a program that will serve no one well. For example, should we consider exemptions on a need basis rather than exemptions for special groups of people? Should there be equality for a whole group, rather than special interest exemptions within a group? What kind of things would be better left to grant and aid programs as opposed to exemptions in the property tax approach?

The Department of Community and Regional Affairs recently completed a study of the exemption problem. Their study gives a synopsis of information developed that deals with major exemption problems, and in some cases, suggests several options that might be taken. Their broad policy statement favors few, if any, additional exemptions, and they feel that any exemption program should meet the following criteria: "any exemption granted should be either for public property or for sufficient public good to justify a transfer of burden to the balance of the community." They recognize that the credibility of property tax has been questioned continually and with increasing intensity these past few years, and that many taxpayers feel that they are paying more than their fair share.

The state has recognized certain senior citizens' exemptions, as a matter of public policy. These exemptions support a policy of encouraging age diversity in Alaskan society, show esteem for and gratitude to the pioneers of the state and give a method of helping many to afford to stay in our state, rather than have to leave family, and friends to begin a life in another state, where it might be cheaper to live. The senior citizens who are on a fixed income and cannot absorb property taxes increased by inflation certainly are in need of assistance. However, some bills are now reaching into special groups within the senior citizens; for example, allowing for surviving spouses 55 and older of those senior citizens who qualified for real property exemption to continue to benefit from the exemption. But, what about other senior citizens within that same age group who might have just as much, or a greater need for exemptions? Disabled veterans are another group being suggested for special exemptions, but what about the equity question of all other disabled people in our State? Other questions of equity need to be considered.

Each piece of proposed legislation offers a shift in public policy -- new groups which deserve special treatment, new funding approaches, and so forth. However, sound public policy decisions can be made only within the context of effects or impacts on local governments and the general public. How can we create a new special exemption, for example, unless we are certain of municipalities fiscal needs, alternative revenue sources and the impact of using those other sources?

Again, I would urge the Alaska Municipal League to take a leadership position in review of the municipal property tax, as well as the broader impact of local municipalities being able to raise adequate revenues to fund needed municipal services. I would be most pleased to have your response as to whether you feel the Alaska Municipal League finds merit

in this proposal, and if so, I sincerely hope the league will analyze the kind and amount of taxes that the various classes of municipalities can and should levy and collect.

Sincerely yours,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-H

Enclosures
cc: Alaska Federation of Natives
RuralCap
Governor's Advisory Committee on Aging
Ms. Dove Kull
Commissioner Lee McAnerney
Mayor George Sullivan
Mr. Phil Younker
Senator John Sackett
Senator Bill Ray
Representative Russ Meekins
Sponsors: SB 138, 154, 296, 299, 360, 370, 427, 431, 456, 465 & 510

Taxes (home improvement exemption)

SENATE BILL NO. 138, by Senators Bradley and Stimson. Relates to establishment of tax exemption for home improvements. Amends AS 29.53 by adding section which provides that the "value of an alteration, repair, renovation, addition to, or improvement of an existing structure which is used by a taxpayer as his personal residence is exempt from assessment for purposes of levy and collection of property taxes under this chapter....." Repeals AS 29.53.025(f) & (g) relating to current exemptions for improvements. Provides Act effective January 1, 1979.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Veterans (disabled) (property tax exemption)

SENATE BILL NO. 154, by Senator Bradley. Amends AS 29.53.020(e) to include disabled veterans of any age to section which exempts persons 65 or over from payment of property tax. Applies to resident veterans, honorably separated from service whose service-related disability has been rated at 50% or more. Provides Act effective January 1, 1980.

Introduced February 13 and referred to Community & Regional Affairs, then to Finance.

Residential Property Tax (partial exemption)

SENATE BILL NO. 296, by Senator Stimson. Adds to list of exemptions from municipal property tax in AS 29.53.020(a) "the real property owned and occupied as a permanent place of abode by a resident, not exceeding $25,000 in value." Provides state shall reimburse a borough or city for revenues lost. Repeals AS 29.53.025(a) which allows municipalities to exclude or exempt or partially exempt residential property from taxation by ordinance ratified by voters, the exemption not to exceed $10,000 per residence. Provides Act effective January 1, 1981.

Introduced January 14 and referred to Community and Regional Affairs and then to Finance.

Property Tax (municipal) reduction of)

SENATE BILL NO. 299, by Senator Kerttula. Amends AS 29.53.050(a) (Tax Limitation on Municipalities) to read: "A (NO) municipality may not levy and tax for any purpose in excess of nine-tenths of one (THREE) percent of the assessed valuation of property within the municipality in any one year." Provides Act effective 1/1/81.

Introduced January 14 and referred to Community and Regional Affairs.

Property Tax (disabled Vets exempt)

SENATE BILL NO. 360, by Senators Sumner and Hackney, by request. Exempts from municipal property tax the real property owned and occupied as a permanent place of abode by a disabled veteran. Provides exemption is allowed to veteran "for a percentage of the assessed value of the real property which is the same as his percentage of disability as established by his service disability rating." Provides Act effective January 1, 1981.

Introduced January 24 and referred to Community and Regional Affairs and Finance.

Fire Prevention

SENATE BILL NO. 370, by Senators Colletta and Bradley. Adds to AS 29.53.020 (Municipal Property Tax - Required Exemptions) "Two

percent of the assessed value of a structure is exempt from taxation if the structure contains fire protection systems in operating condition incorporated as a fixture or part of the structure. The exemption is limited to 1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or an amount equal to two percent of the value of the structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981.

Introduced January 31 and referred to Community & Regional Affairs.

Sr. Citizens Tax Exemp. (surviving spouse)

SENATE BILL NO. 427, by Senators Ferguson, Ray, Sackett, Meland, Colletta, Sumner, Kerttula, Hohman, Mulcahy and Bradley. Amends AS 29.53.020(e) relating to municipal property tax exemption for senior citizens by adding: "The real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the surviving spouse of the resident, if the surviiving spouse is 55 years or older and has a gross annual income of less than $20,000." Does not provide for effective date.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Property Tax Exemptions (for energy

SENATE BILL NO. 431, by the Rules Committee by request of the Legislative Council by request. Adds new section to AS 29.53 (Municipal Assessment & Taxation) which exempts from municipal property tax "The value of an alternation or improvement of an existing structure that reduces energy consumption in the structure." Section applies to mobile homes also. Provides Act effective January 1, 1981.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Municipal Property Taxes (exemp. sr. citizens--personal property)

SENATE BILL NO. 456, by Senators Stimson and Bradley. Amends Municipal Assessment and Taxation (AS 29.53), required exemptions (020) by stating that the property of certain residents of the state is exempt and further states that "(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over, and the personal property owned by a resident 65 years of age or over, is exempt from taxation of the assessed value of the (REAL) property." Deletes reference to "real" property throughout and repeals AS 29.53.020(i) which defines "real property" as property including, but not limited to mobile homes whether classified as real or personal property for municipal tax purposes. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community & Regional Affairs, then to Finance.

Property Tax (residential-partial exem. from assess)

SENATE BILL NO. 465, by Senators Ferguson, Colletta, Fahrenkamp and Sumner. Exempts from general taxation (Municipal Assessment and Taxation, required exemptions--AS 29.53.020(a)) "(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding $85,000 in value." Exempts real property owned and occupied by a resident 65 years of age or over from

taxation of the assessed value of property which exceeds $85,000 in value. Repeals AS 29.53.025(a) (Municipal Assessment and Taxation. Optional Exemptions and exclusions. Section (a) states: "Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election."), and amends AS 29.53.020(g) (relating to reimbursement of borough or city for revenue lost by exemption) by deletion of language stating that upon proper application an individual would have been granted an exemption. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community and Regional Affairs, then to Finance.

Municipal Property Tax (exempting business inventory)

SENATE BILL NO. 510, by the Rules Committee by Request (for the Interim Tax Policy Committee). Exempts business inventory from municipal property tax levy and provides for reimbursement to municipalities of tax revenues lost by operation of the exemption. Reimbursement made on the basis of the application of the tax rate of the borough or city to the value of business inventory reported to the state by businesses for the purpose of taxation under the Alaska Net Income Tax Act, and subject to legislative appropriation to the Department of Community and Regional Affairs for the purpose. State Departments may adopt regulations to carry out the provisions of chapter. Repeals sections of Municipal Assessment and Taxation (AS 29.53) relating to assessment of business inventory and reassessment in the case of cessation of business during the tax year. Provides Act takes effect January 1, 1980.

Introduced March 5 and referred to Community and Regional Affairs, then to Finance.

Alaska State Legislature

SENATOR MIKE COLLETTA

SENATE MAJORITY LEADER

Senate

MEMORANDUM

February 19, 1980

TO. Senator Arliis Sturgulewski
Chairman
Community & Regional Affairs Committee

FROM: Senator Mike Colletta Mike Colletta

RE: Senate Bill 370 "Fire Prevention"

Enclosed for your review, please find information regarding Senate Bill 371, "An Act relating to fire prevention", which I understand you may hear in committee early next week.

I would appreciate your notifying Mr. Bob Shirnberg, Fire Marshal of the Nikiski Fire Department, when you have a firm date to hear this bill. I believe he will be in Juneau this week to testify before the House Community & Regional Affairs Committee when they hear the House version of this bill (House Bill 648).

ENCLOSURES

SRA, BOX [illegible], ANCHORAGE 99502 • POUCH V JUNEAU 99811

ROBERT R. SHIRNBERG
FIRE MARSHAL

NIKISKI FIRE DEPARTMENT
Phone 283-4202

P. O. Box 1167 — Kenai, Alaska 99611

also Gordon Brunton
State Fire Marshalls Office
465-4331

(907) 274-6644

Brian R. Shute
Attorney at Law

Suite 208
1026 W. 4th Avenue
Anchorage, Alaska 99501

RECOMMENDATIONS

FROM THE

ALASKA FIRE CHIEF'S ASSOCIATION
ALASKA STATE FIREFIGHTER ASSOCIATION

FOR

ADOPTION OF THE

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

Get bill drafted
change loan para.

Material Prepared By:
Robert R.Shirnberg
Fire Marshal
Nikiski Fire Dept.
Chairman Ad-Hoc Committee
ASFA/~~AFCA~~
December-2-1979

The Alaska State Firefighters Association and the Alaska Fire Chief's Association, at their respective annual meetings in October of 1979 in Petersburg, Alaska, were presented a program entitled, "Community Fire Protection Incentive Program".

Both the Alaska State Firefighters Association and the Alaska Fire Chief's Association submitted to their respective memberships a resolution calling for support in the preparation of program material to enact the Community Fire Protection Incentive Program during the 1980 session of the Alaska State Legislature. Both bodies passed unanimously this resolution.

A joint AD-HOC committee was formed, comprised of members of the ASFA and the AFCA to prepare the necessary material and to carry out the legislative program presentation.

The State of Alaska has the honor of being Number #1 in many catagories. We are by far the largest state in the Union. Our fisheries and resources from the sea are Number #1 in value. Our resources on oil and gas production are approaching Number #1. Our mineral potential is the greatest of all states.

Our state also has the dubious honor of being Number #1 by some margin in the loss of life per capita by fire and the property dollar loss per capita. It appears that the growth of our state is assured with projections of ship building facilities, processing and support facilities for a bottom fishing industry, oil and gas production with related petrochemical industrial plants, mineral development, etc. With the population and constructions that will come with this growth and with our present methods of providing fire protection, we will retain the dubious honor of being Number #1 in per capita loss of life and property damage as a result of fire.

We in the fire service recognize that a new approach in providing for both public and private fire protection needs must be developed. We recognize that the Community Fire Protection Incentive Program does offer the method to redirect fire protection systems and combine the best features of both public and private fire protection in a manner that will improve and better the community against the ravages of fire. It provides a method whereby the costs for public fire protection can be controlled as the community expands and grows.

The Community Fire Protection Incentive Program provides a method whereby the private property owner and businessman will have the incentive and support necessary to provide for the installation of private fire protection systems in their property. This incentive is created through a three-part program as follows:

~~Permanent Revolving Loan Fund~~ Include in Small Business Loans Program

This loan fund will provide loans to private property owners and businessmen at an interest rate and such terms that will create an incentive to install private fire protection systems such as hydraulic sprinkler systems.

The terms of the loan will be such that the direct insurance saving received for the installation of the sprinkler system will be calculated in the repayment schedule. It is the intent that the peoperty owner will realize a real dollar return on the installation of the sprinkler system. An example would be

that if the net insurance saving was $6,000 annually, the loan terms would require a $4,000 annual payment, resulting in a net return to the property owner of $2,000 annually until the loan has been paid off, at which time the property owner would receive the entire $6,000 benefit.

Tax Incentive

Remove from the property tax rolls the assessed value of the private fire protection system. There is no question of the roll that the private fire protection has in supporting the public fire protection system. It is taken into consideration in the I.S.O. rating schedule, it has a decided effect on reducing the overall insurance rating of a community's fire defenses. It protects the community's tax base. It protects the jobs and the economy of the community.

With our present policy of taxing private fire protection systems, we discourage the property owners from installing such voluntary systems.

Again, the private property owner and business man will be encouraged to install private fire protection systems if we remove the tax burden that is placed on such systems.

Water Standby Surcharge for Sprinkler Connections

Some water utilities have placed an excessive standby water rate to property owners that have installed hydraulic sprinkler systems in their property. In many cases these special rates have eliminated or exceeded any dollar saving the property owner may have enjoyed because he has installed a sprinkler system.

In some cases the owners of property equipped with sprinkler systems have shut the sprinkler system down and discontinued its use and accepted the higher insurance rate because there was a dollar saving between the water standby rate and the increased insurance premiums.

As can be seen, the excessive water rate charge is a direct attack on the incentive to install private fire protection systems.

Therefore, it is necessary that special water rates for properties equipped with sprinkler systems be reduced to a very nominal fee or eliminated altogether.

This program intent is to provide for the property owners and businesses the incentive and assistance to install fire protection systems. The program is to be made available to property owners in all areas of the state of Alaska, from the larger municipalities to the smaller communities and very rural areas. To those communities with full-time paid fire departments to those with volunteer fire departments, and also those areas without any fire protection at all. The program makes assistance available to areas that are isolated, such as remote cannery locations, and a method to provide for fire protection of such facilities.

With such a program in effect and within a few short years, we will see a decided reduction in our property fire loss and loss of life from fire. We will realize a direct saving in the cost of our public fire protection systems. We will be able to better meet the fire protection needs of our expanding and growing communities, and be able to control the costs of this expansion.

Fewer jobs will be lost through catastrophic fires, the economy better protected, the tax base of the community better assured, and those public programs that are supported by the tax base better protected.

Alaska State Legislature

SENATOR
BRAD BRADLEY
P.O. DRAWER 8-Q
ANCHORAGE, ALASKA 99508
(PERMANENT ADDRESS)
PHONE: 337-1060

LEGISLATURE ADDRESS
POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99811
(WHILE IN SESSION)
PHONE: 465-3748

COMMITTEES
CHAIRMAN
MAJORITY CAUCUS
COMMERCE
VICE CHAIRMAN
STATE AFFAIRS
MEMBER
LABOR AND MANAGEMENT
BUDGET AND AUDIT

Senate

March 18, 1980

The Honorable Arliss Sturgulewski
Chairman, Senate Community & Regional Affairs Committee
Assembly Building
Juneau, Alaska 99801

RE: SB 370

Dear Senator Sturgulewski:

Attached for your reference regarding the above bill is a letter from Brian R. Shute, Attorney at Law, of Anchorage, Alaska, and the original photographs referenced in Mr. Shute's letter.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Brad

Brad Bradley
State Senator

BB:jss
Enclosures: As Above

Alaska State Legislature

SENATOR
ROBERT H. ZIEGLER, SR.
307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

POUCH V
JUNEAU, ALASKA 99811

Senate

CHAIRMAN
SENATE JUDICIARY COMMITTEE
IMMEDIATE PAST CHAIRMAN
WESTERN CONFERENCE - COUNCIL OF STATE GOVERNMENTS

VICE CHAIRMAN
SENATE RULES COMMITTEE

MEMBER
SENATE STATE AFFAIRS COMMITTEE
SENATE COMMITTEE ON COMMITTEES
LEGISLATIVE COUNCIL
WESTERN STATES LEGISLATIVE FORESTRY TASK FORCE

March 3, 1980

Mr. John A. Divelbiss,
Director
City of Ketchikan
Department of Fire Protection Services
319 Main Street
Ketchikan, Alaska 99901

Dear Mr. Divelbiss:

I already advised you that I would vote for SB 370 if it ever gets to the floor of the Senate. You might write to Senator Arliss Sturgulewski who chairs the Community and Regional Affairs Committee where SB 370 currently reposes.

Regards,

RHZ

Robert H. Ziegler, Sr.

RHZ:lk

bcc. Senator Sturgulewski.

A - Your copy
SB370

Alaska State Legislature

SENATOR
ROBERT H. ZIEGLER, SR.
307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

POUCH V
JUNEAU, ALASKA 99811

Senate

CHAIRMAN
SENATE JUDICIARY COMMITTEE
IMMEDIATE PAST CHAIRMAN
WESTERN CONFERENCE - COUNCIL OF STATE GOVERNMENTS

VICE CHAIRMAN
SENATE RULES COMMITTEE

MEMBER
SENATE STATE AFFAIRS COMMITTEE
SENATE COMMITTEE ON COMMITTEES
LEGISLATIVE COUNCIL
WESTERN STATES LEGISLATIVE FORESTRY TASK FORCE

February 19, 1980

Mr. John Divelbiss, Director
City of Ketchikan
Department of Fire Protection
Services
319 Main
Ketchikan, Alaska 99901

Dear John:

I don't find any particular fault with SB 370, which is currently in Senator Arliss Sturgulewski's Community and Regional Affairs Committee. Undoubtedly, I'll vote for it when and if it appears before me, but I think there is a caveat: If the assessor cannot include the value of a fire protection system in the assessment for the full and true value of a building, why shouldn't the same exception apply to people who construct extra water tanks on their property or below the structure? What about an exemption for people who buy fire resistant roofing materials? How about people who spray structures with fire retardant chemicals? Likewise with fire retardant insulation?

I could go on and on, but I'm sure you get the idea.

Regards,

BRZ

Robert H. Ziegler, Sr.

RHZ:lk

cc: Mr. James A. VanAltvorst,
City Manager, Ketchikan

Senator Arliss Sturgulewski

FEB 26 1980

CITY OF KETCHIKAN

334 FRONT STREET P. O. BOX 7300 TELEPHONE 907 225-3111

February 22, 1980

Senator Mike Colletta
Pouch V
Juneau, Alaska 99811

Dear Senator Colletta:

On behalf of the City of Ketchikan, I wish to add support to passage of Senate Bill 370, an act relating to fire prevention.

Approved automatic fire protection systems are obviously and definitely advantageous to the building in which they are installed. However, the benefits of those systems go far beyond the individual structures. They also benefit the entire community.

Essentially, installation of such systems decreases a community's "fire flow requirement" which is the community's ability to deliver water to control fires. A decrease in the "fire flow requirement", in effect, reduces the need for fire fighting equipment, facilities to house that equipment and staff to operate and maintain that equipment and facilities without reducing the level of fire protection in the community. Therefore, the entire community can benefit because of a reduction in the cost necessary to provide a given level of fire protection.

Because the entire community can benefit from the installation of approved fire protection systems in individual building, building owners should be given an incentive to install such systems rather than suffer additional fees or taxes because they installed those systems. Therefore, the City of Ketchikan supports Senate Bill 370.

If you have questions about the City's position on this issue, please contact me.

Sincerely,

James A. Van Altvorst
City Manager

JAVA:gw

CITY OF KETCHIKAN

334 FRONT STREET P. O. BOX 7300 TELEPHONE 907 225-3111

February 22, 1980

Senator Brad Bradley
Pouch V
Juneau, Alaska

Dear Senator Bradley:

On behalf of the City of Ketchikan, I wish to add support to passage of Senate Bill 370, an act relating to fire protection.

Approved automatic fire protection systems are obviously and definitely advantageous to the building in which they are installed. However, the benefits of those systems go far beyond the individual structures. They also benefit the entire community.

Essentially, installation of such systems decreases a community's "fire flow requirement" which is the community's ability to deliver water to control fires. A decrease in the "fire flow requirement", in effect, reduces the need for fire fighting equipment, facilities to house that equipment and staff to operate and maintain that equipment and facilities without reducing the level of fire protection in the community. Therefore, the entire community can benefit because of a reduction in the cost necessary to provide a given level of fire protection.

Because the entire community can benefit from the installation of approved fire protection systems in individual building, building owners should be given an incentive to install such systems rather than suffer additional fees or taxes because they installed those systems. Therefore, the City of Ketchikan supports Senate Bill 370.

If you have questions about the City's position on this issue, please contact me.

Sincerely,

James A. Van Altvorst
City Manager

JAVA:gw

However, the presence of automatic sprinkler systems in buildings reduces the anticipated fire flow requirements by 25 - 50% (see ISO "Guide to Determination of Required Fire Flow"). Therefore, if a sprinkler system is installed less fire hydrants are required; e.g. every three hundred (300) feet instead of every two hundred (200) feet.

Since Fairbanks residents pay hydrant fees by general taxation rather than specific proximity charges or individual fire service demand fees, the owners of low service demand properties end up paying equivalent proportionate fees to owners of large demand properties.

The presence of sprinkler systems reduces the needed number of fire hydrants, and also therefore the necessary size of water mains can also be reduced.

The College Utilities Water System is a private utility providing water to an area of about 5,000 population to the west of the City limits of Fairbanks. Their method of assessing for sprinkler fees and hydrant charges is

a. $2.26 per month if located within 1,000 feet of fire hydrants,

b. Unmetered sprinkler service fees

1. $39.50/mo. for 2"
2. $84.00/mo. for 3"
3. $142.00/mo. for 4"
4. $225.00/mo. for 6"
5. $394.00/mo. for 8"

The City of North Pole has a fee schedule for sprinkler services very much like that of the City of Fairbanks.

If any bills are drawn up and introduced concerning any Community Fire Protection Incentive Programs, please forward me a copy. Thank you.

Sincerely,

James A. Morris
Member

JAM:jcs

Attachments

Introduced by: City Manager
First Reading: 12/11/78

ORDINANCE NO. 3749, As Amended

AN ORDINANCE TO AMEND FGC CHAPTER 12. UTILITIES, SECTION 12.117, WATER UTILITY RATES AND CHARGES; COMPULSORY CONNECTION TO WATER SYSTEM, AND SETTING AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

Section 1. That FGC Chapter 12, Utilities, Section 12.117, Schedule W-1, Metered Water Service be amended as follows:

(2) Monthly Rates:

Flat metered water rate per 1,000 gallons	$ 2.25	[$2.00]
(3) Minimum monthly charge for metered service, based on 2,500 gallons.	$ 5.70	[$5.00]

Section 2. That FGC Section 12.117 Schedule W-2, Other Water Service be amended as follows:

(2) Monthly Flat Rates:

Single faucet of outlet (3/4")	$ 8.90	[$ 7.90]
Full service of not more than 1 bath, 1 lavacory, 1 toilet and 4 additional faucets or outlets.	$19.80	[$17.60]
Additional cold water faucets or outlets over full service per faucet or outlet. . .	$ 1.80	[$ 1.60]
(3) Minimum Monthly Charge for Above Services .	$11.25	[$10.00]

(4) Unmetered Water Sprinkler and Fire Hose Service. Water provided herein covers unmetered water deliveries to fight fires. Usage of water for other than fire fighting purposes may terminate the service and/or result in penalties of not less than five (5) months flat rate charge. Water sprinkler systems or fire hose systems connected to metered services are not covered by this schedule.

(A) Monthly flat rates:

4" Service or less	$40.00	[$36.00]
6" Service	$48.00	[$43.00]
8" Service	$56.00	[$50.00]

(B) Fire Hydrant services:

Monthly hydrant service charge, per each	$65.00	[$58.00]

Section 3. That the effective date for such changes in rates set out in Sections 1 and 2 shall be the first billing cycle one month following the effective date of such ordinance making such changes.

Section 4. That the effective date for this ordinance be the 29th day of December, 1979.

Wm R. Wood
WILLIAM R. WOOD, Mayor

Adopted: December 27, 1978

Attest:

Kathleen I. Day
KATHLEEN I. DAY, City Clerk

INTERIOR FIRE CHIEFS ASSN. OF ALASKA

Address Reply to:

Senator Bradley
Pouch V
State Capital
Juneau, Alaska
99811

19 February 1980

Dear Senator Bradley,

The Interior Fire Chief's Association supports House Bill NO. 648 with one exception.

Section 2 AS 42.05.381 (d). The words hydraulic sprinklers are not defined and are too restrictive. That sentence should be changed by deleting the reference to "hydraulic sprinklers" or by adding the words "hydraulic and standard sprinklers."

Ken Anderson
President

Alaska State Legislature

SENATOR
CLEM TILLION
HALIBUT COVE, ALASKA
99603

Senate

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

March 5, 1980

Mr. Robert S. Oehler
Kenai Steel Buildings, Inc.
P.O. Box 340
Kenai, AK 99611

Dear Mr. Oehler:

Thank you for your letter of February 28 regarding SB 370.

At this time the bill is in the Senate Community and Regional Affairs Committee chaired by Senator Sturgulewski. I will forward your letter of support on to her Committee. Any further information should be sent to her in care of Pouch V, Juneau, AK 99811.

The bill sounds like a good one and I will definitely consider giving it my support.

Thank you again.

Sincerely,

Clem Tillion
State Senate

CVT/dj

Stran
The other way to build
AUTHORIZED BUILDER

Ans. 3-3
Copy to Sturgulewski

Kenai Steel Buildings, Inc.

P. O. Box 340 - Kenai, Alaska 99611 - (907) 283-7810

Februar 28, 1980

Senator Clem V. Tillion
President
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

Hopefully, Senate Bill No. 370 will be coming out of Committee and before the Senate for action in the near future.

I do support this legislation, and believe it will offer the businessman the assistance and initiative needed to install fire protection systems in his property. This bill offers the opportunity to control the escalating costs of fire protection service as well as improving the community's fire protection.

Your support on this legislation will be appreciated.

Respectfully,

Robert S. Oehler
Owner

RSO/lc

from Collette

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

SB 310

Proposed CS for HB 648 relating to fire protection would include a definition of fire protection equipment as follows:

p. 2 line 13
(c) In (b) of this section, "fire protection equipment" means fire protection or fire alarm systems as defined in the current edition of National Fire Codes published by the National Fire Protection Association.

Appropriate reference to this definition will be made as needed throughout the bill.

Representative Hugh Malone
Alaska State Legislature
Pouch V
Juneau, Alaska 99811
ATTN: Paul Quesnal

February 27,1980

Dear Paul

I have inclosed a written description of Fire Protection systems, I have also inclosed a copy of a letter I recieved from the Greater Juneau Chamber of Commerce supporting House Bill No.648

I contacted Ron Hendrie, the State Fire Marshal, and read to him the letter describing fire protection systems, he approved of the description on fire protection systems.

The program package material was sent to the printers on Tuesday, and we hope to have it back by this Friday, as soon as we get it in our hands we will be sending this material to your office.

It sounds like things are proceeding smoothly in respect to this bill, keep up the good work! and keep me posted on progress.

Bob Shirnberg

PS. Will you see that Marcie gets a copy of this?

DEFINITIONS OF FIRE PROTECTION SYSTEMS

Fire protection and fire alarm systems are those systems as defined in the National Fire Codes, current edition, published by the National Fire Protection Association.

These systems include, but are not limited to the following: Foam Extinguishing systems, High Expansion Foam systems, Carbon Dioxide systems, Halon 1301 systems, Halon 1211 systems, Dry Chemical systems, Water Spray Fixed systems, Foam/Water Sprinkler and Spray systems, Standpipe and Hose systems, Hydraulic Sprinkler systems, and associated pumps & tanks as required for the foregoing systems.

Fire Alarm systems include, but are not limited to: Central Station signaling systems, Local Protective signaling systems, Auxiliary systems, Remote Station signaling systems, Propietary signaling systems, Automatic Fire Detection systems.

Stran
The other way to build
AUTHORIZED BUILDER

Bill file
SB 370
2nd Initiation

Kenai Steel Buildings, Inc.

P. O. Box 340 - Kenai, Alaska 99611 - (907) 283-7810

February 28, 1980

Senator Mike Colletta
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Colletta:

This is a letter of thanks and appreciation for your work in the preparation and introduction of Senate Bill No. 370.

This type of legislation will assist greatly the businessmen of our state, and will create the incentive and assistance necessary to promote the installations of fire protection systems in our communities.

Keep up the good work.

Respectfully,

Robert S. Oehler
Owner

RSO/lc

FEB 1 . .80

January 21, 1980

Leaders
Senate House
House of Representatives
State Capitols

Dear Sirs:

Two years ago on December 13, 1977 the dormitory fire at Providence College in Providence, Rhode Island occurred and caused the death of ten girls. In May of 1979 a number of us, their parents, were able to meet for the first time and came to understand that we should do what we can to bring about some good from that tragic occurrence. We now write this letter to you in the spirit of one knocking at the door of your sensibilities.

We have the firm conviction that, if you as a leader in the affairs of your State will re-examine those factors relating to the fire at Providence College, you will learn the lessons that such an examination will reveal. We simply expect and pray that as a consequence you will be personally prompted to take active leadership in insuring that a similar tragedy will not occur on campuses and in institutions of your geographic area. We do not profess to know how you may proceed but trusting in Him above and acknowledging His goodness to us even as this burden of loss has been laid on us and giving witness to the happiness of the many acts of love we shared with our daughters while they lived, we make bold to ask you to consider the following steps as a possible course of action:

1. Lead the State Legislature in re-examining and restructuring laws, standards, and regulations pertaining to fire and building codes and related safety equipment protection devices in the light of all known technology.

2. Establish laws, funds, and agencies to study the technology of fires and the effect of heat, flame, and smoke on bodily, mental, and psychological functions so as to develop meaningful survival techniques.

3. Institute a network of cooperative, educational programs among state and local governments, schools, protection agencies, insurance companies, the press and media and other institutions and among the citizenry itself whereby fire awareness, fire precautions, fire hazards, fire safety and the like become part of everyone's education. Special efforts to heighten awareness should occur in those months and in those situations where the possibility of fire

may exist as known from probability studies and correlative statistical data.

We present our request to you on the basis that we feel compelled to raise our voices to stimulate a renewed interest and corrective action. We thank you for your attention and ask you to join us in our concern that the death of our daughters be not without some blessings for other human beings. We stand ready to assist you in any way we can.

Sincerely yours,

New Jersey:	SIGNED Louis Andresakes	SIGNED George Andresakes
Rhode Island:	SIGNED Olga Botelho	SIGNED Gilda Botelho
Connecticut:	SIGNED Marlene Garvey	SIGNED Bernard Garvey
Massachusetts:	SIGNED Gene Ludwig	SIGNED Sam Ludwig
Michigan:	SIGNED Mary Repucci	SIGNED Frank Repucci
New York:	SIGNED Rita Ryan	SIGNED Robert Ryan
Connecticut:	SIGNED Phyllis Smith	SIGNED Robert Smith
Connecticut:	SIGNED Christine Widman	SIGNED James Widman

This letter has been addressed to the Governor of each State.

Original signatures on file c/o Parents
1654 Bracker
Bloomfield Hills, MI 48013

Letters to Sen. Sturgulewski

Mr. Russell J. Bagley, Chairman — Support
South Central Fire Prevention Council

Kenai Steel Buildings, Inc.
Mr. Robert S. Oehler
P.O. Box 340
Kenai, Alaska 99611

Mr. Robert R. Shirnberg
Fire Marshal
Nikiski Fire Department
P.O. Box 1167
Kenai, Alaska 99611

Mr. Brian R. Shute
Attorney at Law
Suite 208
1026 W. 4th Avenue
Anchorage, Alaska 99501

Mr. James A. Morris
Interior Fire Chiefs Assn. of Alaska
656 Seventh Avenue
Fairbanks, Alaska 99701

Dave Fremming, Ex. Vice-President
Greater Juneau Chamber of Commerce
200 North Franklin Street
Juneau, Alaska 99801

Mr. James A. Van Altvorst
City Manager
City of Ketchikan
P.O. Box 7300
Ketchikan, Alaska 99901

Mr. Robert L. Varnam
Cordova Chamber of Commerce
Box 99
Cordova, Alaska 99574

Mr. John Divelbiss, Director
Department of Fire Protection Services
City of Ketchikan
319 Main
Ketchikan, Alaska 99901

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

Prepared by Robert R. Shirnberg
October 20, 1979
Fire Marshal
Nikiski Fire Department
283-4202
P.O. Box 1167, Kenai 99611

VI
F

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

This program is designed to provide the means and methods for the installation of private fire protection systems in private property and to enhance and support the public fire protection systems of the communities throughout the state of Alaska. This is to be accomplished through the combination of three approaches:

1. Establish a loan fund to provide loans to private property owners for the installation of fire protection systems.

2. A tax incentive for property owners by removing from the property tax rolls the assessed value of the private fire protection system.

3. Control the water standby rate charge, charged by water utilities for large diameter service to sprinkler systems. Such rate charges should be set at a level that will not discourage the installation of sprinkler systems.

VI
F

What are the possible long term benefits from the Community Fire Protection Incentive Program?

It is apparent that if such a program is carried out to the ultimate, that most of our commercial and business properties could be protected by sprinkler systems. If this was the case, it will have a decided effect on the fire flow requirements of each community by reducing the flow requirements. This will affect the apparatus and equipment required, location and response distances of the companies, the number and location of fire stations, as well as the manning requirements of the fire departments.

There is no question that the State of Alaska is undergoing rather rapid growth in population. The oil industry is expanding, other industrial plants associated with the oil industry are planned and coming on line. The fishing industry is expanding into new products and plants. This is bringing additional population and businesses into many of our communities. This growth is impacting the fire protection systems of many of our cities and rural areas. Communities are being faced with providing additional fire protection services and with the costs of providing these services.

The community fire protection incentive program can provide an alternative to the increasing costs of fire protection. The fire service may well be able to hold the line in respect to increasing costs associated with the growth of the community, and may well be able to reduce the costs in relation to the mill rate required for fire protection.

I have enclosed a copy of an article by Harry E. Hickey, an associate professor with the University of Maryland, entitled "Built-In Fire Protection and Fire Department Manning." This was published in the Fire Management Review, a publication of the City Management Association. This is an area of interest to city managers, and will probably be discussed with the fire departments. The article is idealistic, but does indicate what effect providing sprinkler systems can have on the fire protection system of a community.

VI
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I suspect that the greatest long term effects of the Community Fire Protection Incentive Program will be in the area of security of the community's assets. I look at these assets as the commercial property, the business within these properties, and the jobs created by these businesses. The community's assets are all the properties within their community, and the income for the community's programs are derived in the form of taxes on this property. With the property protected by sprinkler systems, the community's tax base and programs are protected from fire.

Such a system protects the economies of the community by providing security for the businesses that provide employment of those within the community. The immediate effect of fire on a business is often dramatic, in that amount of dollar loss attributed to the building and contents. The long-term effect of this fire is often overlooked in that the business and jobs lost, the former employees who often must leave the community to work elsewhere, and the effect of the lost payrolls. Few businesses recover from large fires; most often the fire destroys not only the building and contents, but along with that, the jobs and revenue from the business itself. This has the direct effect of removing the property from the tax rolls. We lose the tax generated by the former employees of the business. In many cases, the long-term effect is far more costly on the community than the dramatic immediate loss of the fire itself. In the long-term, this is probably the most important consideration for the establishment of a Private Fire Protection Systems Funding Program.

There have been a number of canneries in smaller communities that have been destroyed by fire. Most often they have not rebuilt, and in some cases the communities where this has happened have ceased to be. There have been a number of fires in commercial property in our larger communities that have destroyed a million dollar tax base, along with large numbers of jobs. These have long-term effects on the community.

The Community Fire Protection Incentive Program can reduce by a very large degree the economic effects of this type of fire.

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FIRE PROTECTION REVOLVING LOAN FUND

The revolving loan fund should be funded at a level that will allow for rapid implementation and installation of private fire protection systems.

This fund will make loans to property owners that desire or are required by the uniform building code to install private fire protection systems. Interest rates and loan terms of such loans should be established at a level that encourages the property owner to install such systems.

Requests for loans shall be considered on a priority basis, with those properties that are required to retro-fit fire protection systems in existing properties having the highest priority.

Loan priorities shall be established by the State Fire Marshal's Office. The fire protection system to be installed shall meet the standards as required by the State Fire Marshal's Office.

Cities and municipalities that have code enforcement and standards administered by building department and fire prevention services shall establish the priority schedule for loans and shall review and approve fire protection systems that meet the required standards. Loan requests meeting their approval shall be forwarded to the State Fire Marshal's Office for review and approval.

The revolving loan fund shall be administered by the Department of Commerce, and loan requests that have been approved by the State Fire Marshal's Office shall be granted.

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LOAN PRIORITY

PRIORITY#1

Property that will be required under the Uniform Building Code (1976) or (1979) as adopted by the State of Alaska to be retro-fitted with sprinkler systems.

PRIORITY#2

Exsisting property that is not required by the Uniform Building Code to be retro-fitted with sprinkler systems, but where the property owner desires to install a sprinkler fire protection system.

PRIORITY#3

New construction that is not required by the Uniform Building Code to install sprinkler systems, but where the property owner desires to install a sprinkler fire protection system.

PRIORITY#4

New or exsisting dwelling units where the property owner desires to install a approved sprinkler protection system.

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TAX INCENTIVE PROGRAM

What are we talking about when we speak of a tax incentive program for fire protection? In looking back over the years, and in particular to the fire protection systems that are provided by private property owners, business and industry, we find that through Fire Codes, Uniform Building Codes and ordinances we have insisted that these same property owners provide private fire protection systems.

In effect, what we are telling the property owner is that we in the fire service cannot provide or meet the fire protection requirements for their particular property, that we insist that they install a system that will provide for fire detection and extinguishment, and supplemented by our fire department, we can then possibly handle the fire problem in his building or property.

When the property owner provides for this private fire protection, we often overlook the fact that he is not only providing protection for his property, but in effect is providing a part of the overal' fire protection system of the community. His system does provide for fire protection to nearby properties in that the chances of the fire extending beyond his property is practically illiminated through his built-in fire protection system.

With the installation of a sprinkler system or other fire protection system within the property, the value of the property increases. Up to now the increased value of the fire protection system has been added or included in the tax assessment bill on the property.

I strongly feel that to require a property owner to provide for private fire protection systems on his property and then increase his tax bill because he has installed such a system is again self-defeating. We must be able to encourage the property owner to install such systems. We well know that such a system adds directly to the over-all fire protection system of the community.

To encourage the installation of private fire protection systems in our communities throughout the state, with the direct long-range effect of reducing or at least being able to maintain the current level of public fire protection we should consider the following:

Inact legislation at the State level that will remove from the tax rolls the assessment against private fire protection systems The net effect to the property owner will be that his property tax rate will be reduced by the value of the private fire protection system.

Presently, the property owner that provides private fire protection systems for his property receives the following benefits:

1. Protection for his building
2. Protection for the contents
3. Protection for the occupants
4. Protection for his business
5. A reduction in the insurance premiums

The public receives the following benefits when a private property provides fire protection systems:

1. The public that enters or resides within the building is protected.
2. The nearby property owners are protected from fire extending from the property in question.
3. The community's tax base is protected in the property
4. The community has assurance that this business will not be destroyed by fire.
5. The jobs provided within this property are secure from fire.
6. There is a lesser demand or requirement on the community public fire department because this property has a built in fire protection system.
7. The overall fire insurance rating will be enhanced by those properties protected by fire protection systems.

It is apparent that those property owners that install private fire protection systems not only receive certain benefits directly, but in respect to the community as a whole, that through their private efforts, provide a larger degree of benefit to the community in general.

Up until the present time, the property owner that provided private fire protection systems has received no direct benefits or credit from the community or local government for his efforts. The community has in general not recognized what the private fire protection systems mean to a community.

It is apparent that if all private property owners could or world provide private fire protection systems, it will have a dramatic long-term effect on the total community fire protection system. It will certainly affect the costs of providing community fire protection in the future.

WATER SURCHARGE RATE

The standby water surcharge rate that is applied in some communities to those property owners that have or have been required to install full sprinkler protection for their property is in effect self defeating in respect to the fire protection system of the community.

It appears that the only consideration for this type of charge is to provide additional revenue for the utility.

This type of rate charge will result in property owners taking a second look at installations of sprinkler systems. Unless the property owner has a direct benefit that is cost effective he will not be interested in providing fire protection systems for his property.

The benefits that the property owners should receive in the event he provides a sprinkler system for his property would be a reduction in his insurance rate, that will pay back the cost of the sprinkler system within a reasonable time. Another benefit is the protection of his property and business from fire.

An additional water surcharge for sprinkler connection is contrary to the fire protection needs of the community. The community should rather assist and encourage the property owner to install such systems.

We in the fire service, and those that are in communities that have placed a surcharge for sprinkler systems, have often been silenced and are unable to protest this self-defeating development of our fire protection systems. Where the administration is dead set against such charges and they are unable to speak out, such organizations as the State Fire Fighters Association can take a stand and pursue legislation at the State level prohibiting such charges.

If we can encourage the state legislators either by law, or administrative action by the Public Utilities Commission, to eliminate or reduce to a reasonable charge, the service provided for sprinkler systems we will have accomplished much in providing a direction and guidance in meeting the needs for fire protection in our communities.

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The following examples compare cost figures for an Incentive Program versus today's cost.

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CASE FIRE INSURANCE RATES

Property Discription 29,560 sq. ft. concrete block, retail shop complex.

Fire Protection Class Rural#8

Value of Building $702,000

Insurance Carried $700,000

Protected Rate .40 per 100

Unprotected Rate 2.65 per 100

Estimated cost of Sprinkler System $42,000

Assesed value of Sprinkler System $42,000

Property Tax Rate 5 mills

Fire Protection Loan 42,000 Interest 7% No.of Years 5

Monthy Payment $831 Annual Payment $9979

Cost Unprotected Property		Cost Protected Property	
Insurance	$18,550	Insurance	$2,800
Tax (mill rate)	$3,500	Tax	$3,500
		Tax Credit	$210
		Loan Payment	$9,979
Total	$22,050	Total	$16,069

Annual saving to property owner $5,931

Saving to property owner on complition of loan payments $15,960

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BASE FIRE INSURANCE RATES

Property Discription	20,000 square foot, wood frame, mercantile
Fire Protection Class	Class 5
Value of Building	$500,000
Insurance Carried	$500,000
Protected Rate	.143 per 100
Unprotected Rate	1.76 per 100
Estimated cost of Sprinkler System	26,000
Assesed value of Sprinkler System	26,000
Property Tax Rate	16 mills
Fire Protection Loan	26,000 Interest 7% No.of Years 5
Monthy Payment	Annual Payment
$514	$6,177

Cost Unprotected Property			Cost Protected Property	
Insurance		$8,800	Insurance	$715
Tax (mill rate)	16	8,000	Tax	$8,000
			Tax Credit	-$416
			Loan Payment	$6,177
Total		$16,800	Total	$14,476

Annual saving to property owner $2,324

Saving to property owner on complition of loan payments $3,501

BASE FIRE INSURANCE RATES

Property Discription 26,000 square feet, shop office and bus storage garage, wood frame construction

Fire Protection Class Unprotected Class #10

Value of Building	1,000,000
Insurance Carried	1,000,000
Protected Rate	.40/.50 per $100
Unprotected Rate	2.81 per hundred
Estimated cost of Sprinkler System	$72,500
Assesed value of Sprinkler System	$72,500
Property Tax Rate	5 mills

Fire Protection Loan 72,500 Interest 7% No.of Years 5

Monthy Payment $1,435 Annual Payment $17,226

Cost Unprotected Property		Cost Protected Property	
Insurance	$28,100	Insurance	$5,000
Tax (mill rate)	$5,000	Tax	$5,000
		Tax Credit	- $362
		Loan Payment	$17,226
Total	$33,100	Total	$26,864

Annual saving to property owner $6,235

Saving to property owner on complition of loan payments $23,462

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There are two insert articles on the effect of sprinkler system installations on public fire protection systems.

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Built-In Fire Protection And Fire Department Manning

by
Harry E Hickey
Associate Professor
University of Maryland



The number of companies required and the manning levels for each company are directly related to the number of hazards in a community. Any community has a range of hazards. Therefore, the geographical location and the nature of these hazards are prime factors in determining the location of engine and ladder companies.

PROPERTY HAZARD LEVEL REDUCTION

Generally, property hazard levels should be used to determine the number and type of fire companies required and the manning levels for each

One method of measuring property hazard levels is to determine the amount of water required to control and extinguish a fire in a building or a group of buildings. Required fire flow will vary according to a building's ground floor area, height, construction, occupancy, internal fire protection and alarm systems (automatic sprinklers and alarm transmission to emergency response service), and exposure conditions.

The Guide for the Determination of Required Fire Flow, which is published by the Insurance Services Office (ISO), can help to determine fire flow requirements for specific hazards (there is some question on the validity of the final computations). It is also helpful in assessing fire flow requirements according to a community's hazard variables. The guide states that by using these computations, fire flow requirements 'may be reduced by up to 50% for complete automatic sprinkler protection. Where buildings are either fire resistive or non-combustible construction, the reduction may be up to 75%". Thus, established fire flow values can be cut drastically by requiring the installation of automatic sprinkler protection.

Regardless of the method used to compute required fire flow, there is general agreement that the public protection equipment requirement increas with the fire flow requirement. Conversely, as the property hazard is reduced, so is the required fire flow and thus, the level of fire departme response.

A community policy to control and reduce property hazard levels by requiring automatic sprinklers can have a significant impact on holding th line with fire department manning requirements. In addition to improved life safety and property protection, automatic sprinklers may reduce property insurance premiums and the demand on the community's fire suppression delivery system. This may open new service delivery options, such as improvement of emergency medical services with existing personnel.

HYPOTHETICAL CASE STUDY

The community of Newtown, which covers approximately 12.75 square miles, has 5 primary hazards characterized by: ordinary construction, four stories, ground floor areas from 43,000 to 50,000 sq. ft., occupancie at the moderate hazard level, and normal exposure conditions. It is assumed that these buildings are the worst fire hazards in the community, and that the level of fire protection required for them will be equal or better for the rest of the community.

Without automatic sprinkler protection the ISO guide sets a required fire flow of 8,000 gallons per minute for each fire. However, using the water supply section of the ISO Grading Schedule, the basic fire flow for

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Newtown is 7,500 gallons per minute. The guide makes a clear distinction between required fire flow and basic fire flow.

If each of the primary hazards were retrofitted with a hydraulic automatic sprinkler system, the peak required fire flow for each fire demand zone would be reduced from 8,000 gallons per minute to 4,000 gallons per minute. This would reduce the basic fire flow for Newtown to 3,500 gallons per minute.

The reduction in fire flow requirements has a dramatic effect on manning levels. Fire suppression manning requirements were calculated on the following assumptions:

- a 48 hour work week
- average vacation and sick leave of 4 hours per week for each individu
- 38 persons are required to staff a suppression position 24 hours a da
- engine and ladder companies each require one officer on duty at all times

The ISO Grading Schedule was used to determine the number of engine and ladder companies required, based upon the response distance and the established required fire flows, and the manning requirements for each company.

Company and manning requirements were calculated with and without automatic sprinklers.

	Without Automatic Sprinklers	With Automatic Sprink
Stations	5	3
Engines	7	4
Ladders	3	1
Officers	42	15
Firefighters	209	76

Annual personnel costs (including fringe benefits) were estimated on the basis of $24,000 for each officer and $18,000 for each firefighter.

	Without Automatic Sprinklers	With Automatic Sprink
Officers	$1,008,000	$ 360,000
Firefighters	3,762,000	1,368,000
TOTAL	4,770,000	1,728,000

The reduction in personnel costs alone is $3,042,000. This hypothetic case does not consider the cost factors for installing automatic sprinkler community water system design, deactivation of two fire stations, or the potential savings on community insurance premiums.

It has been established that the property hazard level is the primary factor affecting manning levels for fire companies. When the hazard is reduced, so is the manning requirement. This is only one method of assessing the difference between protection from specific hazards with a complement of fire suppression personnel and increased private protection to lower the demand for public protection.

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

Sprinklers Required in New Buildings

BY R. J. COLEMAN
Director of Fire Protection

and

G. L. CARMICHAEL
Fire Marshal
San Clemente, Calif., Fire Dept.

Faced with a tremendous increase in the residential fire problem as its population doubles in the next 10 years, San Clemente, Calif., has passed an ordinance requiring sprinkler systems to be installed in new residential construction. The ordinance also applies to the remodeling of more than 50 percent of a building.

There has been a great deal of talk over the years about residential fires, which account for the largest number of structural fires and take the most lives, but San Clemente has done something about the residential fire problem. The sprinkler ordinance is also aimed at restraining the cost of public fire protection while maximizing fire department services and putting technology to work for us.

What prompted the passage of the residential sprinkler ordinance was a unique growth situation in the city and preparatory work by the staff of the San Clemente Fire Department.

Land to be developed

San Clemente covers 15 square miles with a population of 26,000. Two thirds of the city, about 10 square miles, is vacant land. The three corporations which own this land are prepared to fully develop it within the next 10 years. The population of San Clemente is due to double by 1990.

The fire department staff several years ago realized that it faced this potential and instituted a fire department master plan project. One of the elements of the master plan was to examine alternative methods of providing fire protection during this period of unprecedented growth. Initially, the department received most of its information and training on the master plan project from attending the National Fire Academy fire protection master planning course.

Historically, 50 percent of the fire loss in San Clemente has occurred in single and multiple residential buildings. The five-year fire record also showed that the largest percentage of fires started in kitchens and living rooms. The result of this statistical data was the formulation of a master plan goal to "reduce the loss of life and property in dwelling fires by building fire protection into the construction."

The early studies

Research during the master plan project developed a great deal of information on studies of residential sprinkler systems, smoke detectors and early warning systems. These systems were immediately identified as possible means of mitigating the fire problem.

The first of these systems that was integrated into the city's codes was that of smoke detectors. A comprehensive smoke detector ordinance, patterned after the San Carlos one, was adopted in 1976. This ordinance requires the installation of smoke detectors in all new homes and in existing homes when they are sold or by 1981, whichever comes first.

Members of the fire department took some of their basic information on residential sprinkler tests from United States Department of Commerce studies. With the aid of several local automatic sprinkler companies, the department conducted a series of controlled burns, experimenting with a wide range of heads and installation specifications suggested by the Department of Commerce studies. These tests were run in cooperation with local building contractors and developers. Interested parties were allowed to witness the tests and make suggestions on how to incorporate sprinkler systems into their construction projects.

Four sprinkler goals

The residential sprinkler ordinance was developed with four major goals:

1. That it be low cost.
2. That it be aesthetically acceptable to homeowners.
3. That it be aimed at reducing liability in providing fire services.
4. That it speed the response of extinguishing agents in a dwelling fire.

One thing became apparent right away. The state of the art in residential sprinkler protection was not perfect, and, to draw an analogy, the fire department staff felt "that if the Wright Brothers had waited for the Concorde to be invented, they probably never would have built the first aircraft." The decision was made to take what information we had and move forward with the development of a comprehensive sprinkler ordinance for dwellings.

The San Clemente Fire Department operates with an attack pumper that is backed up by reserve fire fighters. Based on this operational situation, it was our intent to provide residential sprinkler systems with three objectives in mind. The first objective was to confine 70 percent of all dwelling occupancy fires to the room of origin. The second was to utilize the sprinkler system to prevent flashover from extending a fire into rooms adjacent to the room of origin. The third objective was to provide fire suppression capability for the first 15 minutes of an alarm.

Fire department support

These three objectives recognized that these systems must be supported by fire suppression forces if they were to be 100 percent effective. These three objectives also recognized that the residential sprinkler system was primarily a tool to mitigate against fire spread during the reflex time period.

The department already had a partial track record on these systems. Due to the other problems in the community, such as limited access, underground garages, etc., the department had already required several apartment houses and condominiums to be sprinklered to NFPA Pamphlet 13-D requirements. Prior to passage of the ordinance, the fire prevention bureau had required these systems in approximately six of these occupancies. Three had been completed prior to the final drafting of the ordinance.

Consideration of this alternative was given a tremendous boost with the passage of proposition 13. This tax-limiting initiative highlighted the general problem of eroding revenue to support fire departments.

One of the most important elements in the study was that of cost. With home construction costs spiraling rapidly, one of the objectives of the study was to develop a system that would be economically feasible during construction. With single family dwelling construction costs running over $80,000, the installation of a truly domestic residential system was a relatively insignificant amount. The staff estimated the cost to be only $700 to $800 during the construction of a home of about 2100 square feet.

Early warning system

The third system that has yet to be required by ordinance is the early warning alarm system to tie together the other systems. The fire department communications officer, Captain Bill Bendy, has authored an ordinance and designed specifications for an alarm system that will allow the fire department to monitor both smoke detectors and residential sprinkler systems with

ordinance will soon be enacted.

There are many other elements of the residential sprinkler system too lengthy to digress in this article. Two of the major construction requirements, however, will be tightly controlled by the fire department.

First, the system must be installed according to proper design. Through a series of inspections and testing, the fire department will examine every installation and compare it against the standards and engineering drawings.

Secondly, the quality of construction will be controlled through a series of permits authorized under the ordinance, which in summary states, "No one shall install a residential sprinkler system in San Clemente without a fire department permit." These permits can be obtained through the office of the fire chief. It will be his obligation, prior to issuance of a permit, to be satisfied that the applicant has adequate training and knowledge in sprinkler system plumbing practices.

One-year sprinkler installer permits are issued for a $10 fee that covers the administration costs of the fire department.

Premium cut sought

The fire prevention bureau is soliciting input from the insurance industry in an attempt to get a reduction in insurance premiums for occupancies that are protected by all three built-in systems. The results of that study are incomplete at this time.

In summary, the enactment of these amendments to the Uniform Fire Code should allow our city to maximize our fire suppression forces without facing spiraling costs or reduced revenue. It will not prevent our department from growing in terms of additional staff and equipment. As a matter of fact, the master plan also calls for two new fire stations.

It is still too soon to determine if the standards and the ordinances produce a statistically significant level of reduction in the fire problem. The fire department staff is continuing to build a partnership of the fire service, the sprinkler industry, the insurance industry, the building industry and the local citizenry to upgrade the ordinances if that becomes necessary.

Hopefully, when the development of the three vacant land areas is completed, we will have an environment that is considerably safer from a fire loss point of view than the average community. We really don't know that for sure. To compare to our early analogy about the Wright Brothers, we have now built in a system that is flying, but we are really not sure how it's going to land. Only time will tell! □ □

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BILL ANALYSIS

ASSIGNMENT DATE 2-1-80

UNASSIGNED

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety	Colletta and Bradley	SB 370

DEPARTMENT POSITION

Support

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Ronald A. Hendrie by: S. Cranch	2-13-80	William R. Nix	2/14/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING) (1) Identical to HB 648 introduced 1/31/80
(2) OTHER AGENCIES AFFECTED BY BILL (2) Department of Commerce & Economic Development

(2) a. ORGANIZATIONAL SUPPORT FOR BILL	(2) b. ORGANIZATIONAL OPPOSITION TO BILL
Alaska Fire Chiefs Association Alaska State Firefighters Association	Unknown

(3) PROGRAM EFFECTS OF BILL

The incentive aspects of the bill (voluntary or regulated installation of private fire protection systems) will favorably affect fire prevention and protection programs and efforts at the state and local levels.

(4) FISCAL IMPACT: ☐ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

None

(6) COMMENTS:

The provisions in this bill provide the incentive and means and methods for the installatio of private fire protection systems in private property which will in turn enhance and support the public fire protection systems and capabilities of communities throughout Alask

Many communities are being faced with providing additional fire protection services and with the costs associated with providing those services. A community fire protection incentive program can provide an alternative to the increasing costs of fire protection.

A long term affect of such a program would be in the area of security of a communities assets, e.g. private fire protection systems protect the economics of the community by providing security for the businesses that provide the tax base and employment of those within the community. Both the direct and indirect socioeconomic impacts, from fire, would be reduced.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S. B. 370 and H. B. 648

Title An Act Relating to Fire Prevention

Requested by Legislative Finance Date 2-6-80

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						

Comments and Information on

Senate Bill 370 & House Bill 648

Prepared and submitted by:

Alaska Fire Chief's Association
and
Alaska State Firefighters Association

AD HOC Committee

Community Fire Protection Incentive Program

Chairman: Robert Shirnberg

The following material is for distribution to:

SENATE
Member of the Community & Regional
Affairs Committee

Chairman: Arliss Sturgulewski
Vice Chairman: Bob Mulcahy
Member Tim Kelly
Member Pat Rodey
Member Terry Stimson

Distribute also to the following:

Senate Mike Colletta, sponsor Senate Bill #370
Senator Brad Bradley, co-sponsor Senate Bill #370
Representative Hugh Malone, sponsor House Bill #648
Representative Jim Duncan, co-sponsor House Bill #648

This material has been prepared and submitted by the Alaska Fire Chief's Association and the Alaska State Firefighters Association

AD HOC COMMITTEE on Community Fire Protection Incentive Program

Chairman: Robert Shirnberg

Comments of preference requirement of loan for the instalation of fire protection systems.

Our original concept was to allow preference on the following basis for fire equipment loans.

First preference would be for those property's that are exsisting, and where the instalation of fire protection systems would be required by local or state building codes.

Second preference would have been for exsisting property owners that disired to install fire protection systems on a voluntary basis.

Third preference to new construction required to install fire protection systems

Fourth preference to new construction where voluntary instalation of fire protection systems is desired.

With the preferencial requirement removed from the loan considerations, there is no need to amplify the above considerations.

We feel that if the loan process problems are corrected, and loan applications for the instalation of fire protection systems can proceed in a timely manner, there would be no need for prefercial considerations, and these loans would be handled in the normal loan process.

Granting a 2% property tax incentive to those property owners who have installed approved fire protection systems is only a small recognition of what this improvement means to a community.

This incentive will help remove some of the reasons that a property owner may have that adversely affect the considerations to install approved fire protection systems.

We only need to look at property that is not protected by the fire protection systems to realize what a benefit to the community it is to have property owners install such systems.

It is the UNPROTECTED property that places the greatest demand on the public fire department and water system. Because of the fire flow requirements of unprotected properties, the manning level of fire departments is as high as it is now. It demands much more fire apparatus and pumping capacity, a larger water utility, and required fire flow reserve capacity.

The public's cost and taxes necessary to provide fire protection for property that is not equipped with approved fire protection systems is much greater. The real dollar costs of fire protection is measured by the number and amount of unprotected commercial properties within the community.

Yet we have responded to those property owners that have installed approved fire protection systems by requiring that they must pay additional property taxes because they have made improvements to their property--improvements that are far less costly to provide fire protection service for.

I find that we have a day and night comparison: Those that have made the effort to improve their property with a direct benefit to the community through reduced costs demanded by fire operations and a less demanding property on the water utility, we have required to pay ADDITIONAL property taxes.

While on the other hand, those property owners that have made no improvements; whose property demands more in respect to costs of operations of the fire department and demands a greater reserve fire flow of the water utility, ARE NOT TAXED ANY ADDITIONAL AMOUNT.

> We have a situation in effect, where those that do little if any improvement to their property are rewarded, and those that make decided improvements that reduce costs to the taxpayer are punished, in effect.

I believe that property owners are sensitive to discrimination in such cases. There is no question as to the performance of sprinkler systems, and to the role these systems can and do play in reducing the costs and demands on the public fire departments, as well as demanding less fire flow from the water utility.

There is no question that the majority of the commercial property within our communities is not protected by the installation of such systems. If incentives were not needed to encourage property owners to install such systems, why aren't these systems the rule, instead of the exception?

Water standby demand charges, as presently assessed or charged to property owners is one of the most inequitable rates assessed a property owner that has installed a sprinkler system. The reasoning and arguments used to justify this special rate charge are for the most part correct.

HOWEVER, all of the arguments and reasoning are directed at the WRONG property owner.

It is the property owner and/or commercial property that is not equipped with a sprinkler system that the rate arguments fit to a "T". It is the property that is NOT equipped with sprinkler systems that places the greatest demand on the water utility for fire operations. It is the property that is NOT equipped with sprinkler systems that causes the community's fire flow requirement to be increased. It is the property that is NOT equipped with a sprinkler system that requires the reserve fire flow.

Where should the fire flow demand rate be assessed?

As the commercial property generates the demand for the additional fire flow by the type of building, lack of fire protection systems, occupancy, etc, would it not be correct that the special water rates required for the additional fire flow requirements be assessed to those that generate the additional requirement? If this is the case, then those properties that are not equipped with fire protection systems should be assessed the additional rates required by the reserve or additional fire flow needed to combat fire in these properties.

What has happened in reality is that some (not all) water utilities have required additional revenue for operations, certainly common with today's economics. Because of this need, they have centered their rate requests on special users, and because of the large size of water service required by a sprinkler system, they have justified these charges based on the size of the service line to the property. In effect, they are charging by the inch of diameter water service. Little, if any, consideration has been given to the actual water demanded by such systems, and in particular considering the water demanded by fire operations of sprinkler-protected properties versus properties not protected by sprinkler systems. There is no question that buildings not equipped with sprinkler systems will demand much greater fire flows, and place a much greater demand and cost on the water utility. For the most part, these demand charges came on line with affected property owners not being aware of such charge until the first billing. The water utility did not publicly announce and make property owners aware of these considerations. For the most part these special unwarranted rates came about quietly. Once a rate such as this is established, it is very difficult to remove or correct, much the same as taxes.

These rates could be much better assessed to all commercial property owners. As a commercial water rate, then all properties would pay the rate. Adjusted, this would allow those that make the greatest demand on the water utility to pay a fair and just rate as per the demand generated by their property for the required fire flow. As it stands now, only those that place a lessor demand on the water utility are required to pay this special water rate.

Is it proper for the Legislature to direct the Public Utilities Commission on matters concerning rate setting?

In the case of the excessive water utility rates as approved by the P.U.C. for demand water service to sprinklered protected buildings, it is proper for the legislature to resolve and direct the P.U.C. to correct the unfair rates that have been approved.

The P.U.C. has allowed and approved a very inequitable rate to be charged by some water utilities for this service. As this rate does not hold with the fair and equitable rate policy as supposed to be administered by the P.U.C., where else but to the legislature can this problem be resolved? The P.U.C. has not re-directed its policy in this matter, and they have let the rate stand.

As to the fairness of the demand water standby rates, the Municipality of Anchorage has requested and received approval from the P.U.C. to remove the demand water standby charges that have been charged by the municipal water utility for the past three years. It is apparent that the Municipality of Anchorage considers these charges excessive and unwarranted, and has removed them effective March 31, 1980.

If the businessmen and property owners in our state cannot receive fair and equitable treatment from public state commissions, the only recourse they have is to seek adjustments by legislative action to resolve the problem.

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

Apparantly there is some concern that this legislation will effect for the most part the urban or larger community's, and [illegible] not do much in the way of helping those in rural or bush Alaska, this is far from the truth.

As in the case of most legislation that applies to all areas of the state, the greatest impact will be in these areas of most population or the urban areas.

However, on a one to one basis, this legislation will have the greatest effect in the rural or bush areas, and in these areas with little or not fire protection.

Insurance costs in rural and bush Alaska are often prohibitive. In many cases the cost of fire insurance is such that businessmen are hard pressed by the high rates. A substantial reduction in insurance rates upwards of 60% can be realized with the instalation of approved fire protection systems. The instalation of the fire protection systems and resulting reducing in insurance costs can make the difference between a marginal business and viable business operation. Often the insurance rates are a considerable portion of the overhead costs.

The impact of business failure or the distruction of a mine by fire in the rural or bush areas has a decided effect on the community, we have cases where the major business of a community has been destroyed by fire, placing many out of work, many of those effected must move to other areas to seek employment, and in some cases the community has ceased to be, because the sole source industry of the community has been destroyed.

There has been some question as to the tax incentive being fair for the rural or bush areas that do not have property taxes ; businessmen or property owners would not be taxed in such areas, therefore they have no incentive or equal considerations. I can only answer this by saying if you are not taxed for the instalation of fire protection systems, you do not have the problem, it is those areas that do tax for the instalation of fire protection systems that create a dis-incentive for the businessman.

Rural and Bush Alaska has a great incentive to install cost effective fire protection systems, the reduction of insurance costs and overhead costs, the security of the business is much better protected, resulting in better security for the jobs created by the business.

This legislation will allow a method for the business and or community to install fire protection systems, and greatly improve and reduce the impact and major economic effects of fire in our rural and bush areas of the state.

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

AVENUES OF APPROACH

PROBLEM

Alaska is No. 1 in fires with loss of life per capita and property dollar loss per capita

What can be done to help this situation?

SENATE BILL 370

Intent: Provide incentive, means and methods for installation of sprinkler systems (both standard and hydraulic) in residential and commercial buildings (excluding all other fire protection systems)

Bill provides 2 mechanisms:
1) through property tax exemptions
2) through business loans A) lower loans & interest B) priority status given over all other loans

---

PROS

Lives & business savings will continue to bring in more revenues to municipalities than lives & businesses lost /// vs municipality $ loss through:
1) property tax exemption revenue
2) water reduction revenue (a-water flow requirements for sprinkler heads reduction = 1/2 and b) fire hydrants water reduction c) water standby utilities chgs.
3) other revenue loss through expenses of firemen, policemen, cleanup, etc
NOTE: also general public property taxes would not have to increase.

Loan program provides more incentive

CONS "full and true value" definition is destroyed, destroys local assessors credibility in est. market value, and confuses taxpayer who refers to assessing records for information.

OTHER AVENUES OF APPROACH TO CONSIDER

1. Income tax credit in the amount spent for fire protection systems installation.
2. State reimburse the individual a check in the amount of a predetermined percentage of the system cost.
3. Insurance reductions
4. Water rate deductions

INTENT - INCENTIVE

Existing incentive: fire protection systems reduce insusrance premium costs. Property owners can more than "recoup" initial cost of the system installation within a relatively few years.

PROBLEMS (Penalization) 1) property tax increase 2) water standby surcharge not reduced/eliminated to nominal fee charge rates -- resulting where some owners have shut down their systems opting the higher insurance rates as the cheaper way to go.

Why not penalize those w/o Fire Protection /Sprinkler device instead?

END RESULT DESIRED / MECHANISM

Give incentive to commercial (and residential) owners to install and maintain fire protection systems; and, to present long term method whereby this installation will remain the cheaper avenue to go. (Adopt new building codes and the next one.)

Fire Protection Definition???

SB 370 //// Tentative Summary

Bill Backers/Supporters initially: Alaska Fire Chiefs Assoc. and
Ak. State Firefighters Assoc.

Legislators: Senator Colletta & Bradley

Intent: provide incentive, mean and methods for installation of private fire protection systems in residential and commercial buildings. Two-fold approach:
through loans and property tax exemptions.

- allow businessmen and property owners to receive loans at intererst rates proposed, giving priority to such loans, thereby encouraging installation

- additional incentive by removing fire protection systems from real property tax roles.

- loan fund (Small Business Loans Division, Ec. Dev. & Com.) will provide loans - with intent of direct insurance savings received from the installation will be calculated in the repayment schedule.

=> tax incentive, remove from the property tax rools the assessed value of the system

- encouraging water standby surcharge for sprinkler connections be reduced/eliminated to nominal fee charge rates to property owners who have installed (Many cases this eliminates or exceeds any dollar saving realized from other reductions as result of installation; i.e., insurance rates lowered, etc.) This will assist ~~positively~~ so that owners will not cut the sprinkler system down and accept the high insurance rates as the cheaper way to go.

PROS

Lives & buildings saved, which will result in more revenue from respective businesses to the municipality.

What municipality will save with the above, will more than compensate for lost revenue because of the tax exemption; i.e., business generating sales tax continues, more employment continues, less policement, firemen, cleanup, effort needed...

Insurance rates are higher on buidlings without sprinklers -incentive to install system

Less water pressure is needed -

Insurance deduction to building owner will compensate for any payment on installation loan for sprinklers received.

CONS Municipality loss of revenue - instances where the taxpayer pays for hydrants generally from the municipality budget - underwritten by sales and property taxes equally proportiate from all property owners.

Dept. C/RA - "full and true value" definition is destroyed, destroys local assessors credibility in est. market value, and confuses taxpayer who refers to assessing records for information.

Depts 1) Pub. Safety
2) C/RA
3) Ec Dev. & Comm
4) Comm

Contacts Needed: SB 370, as well as new alternatives

Ginny Chitwood -

✓ APUC (Zerbetz or C. Guess)
1. Outcome of Private Fire Protection Service charge case levied against those buildings who have fire protection sprinkler systems
~~A. What was the actual violation 1) reduce water flow requirement for sprinklers rates to owners of sprinkler fire protection systems 2) Paying private fire protection service fee~~
?

Violation: two fees being charged - 1) lower water consumption rate and Private Fire Protection Service fee? or municipality charging the one that was not the most advantageous to the customer?

Assistance in alternative approach concerning water rates for commercial and residential buildings who have fire protection systems installed.

Dept. Public Safety/ William Nix, Commissioner or Ronald Hendrie ✓ ✓

Dept. C/RA also F.N. Alternatives

Mitch - Anchorage municipality summary and alternative proposals???

Business Loans - F.N. plus dept. concerns / suggestions for alternate proposals ✓

~~Revenue~~ - Income tax credit rebate

Insurance Div. - rate reductions as presently exist, etc. alternate proposals?

Glen "Pat" McKee, Anchorage Assessor 264-6596

The Alaska Mutual

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Coeur D'Alene, Idaho 52

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

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Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Reply: 8-3-79

A. 1. Taxes are not effected. Normally the owner will enjoy a better premium in his Insurance rates only.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

A. 2. Yes. A rate analysis was conducted by a consulting firm to determine the rate.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

A. 3. No, just the minimum demand charge.

Burley, Idaho

32

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JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

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No

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

25¢ per sq ft of frontage or a minimum charge of $15.00 per year.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

Yes - $4.00 per month

TACOMA

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

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Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

No, he does not receive a tax break. The owner could pay more tax due to an increased property evaluation.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

The owner must take a regular water service before qualifying for a special separate fire service. A monthly service charge is imposed based on the operation and maintenance cost of the meter and service pipe.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

No, he is not. The municipality makes a small contribution towards the calculated cost of fire protection.

SEATTLE

If possible, the Commission would also like to receive a list of private sprinkler rates currently used by your municipal water utility.

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

John F. Jewell
Deputy Director

IWM:gb

Section 33. That as of January 1, 1975, all water used for domestic and commercial purposes shall be supplied by meter only at the following rates and charges.

The rates for metered water supplied to premises within the City of Seattle in one month, or fractional part thereof, shall be in accordance with the following schedule:

SERVICE SIZE	CONSUMPTION QUANTITY ALLOWED	MINIMUM CHARGE
¾ inch	300 cu. ft.	$ 2.10
1 inch	600 cu. ft.	2.80
1½ inch	1200 cu. ft.	4.10
2 inch	2000 cu. ft.	5.80
3 inch	3400 cu. ft.	8.70
4 inch	4900 cu. ft.	12.00
6 inch	7100 cu. ft.	16.50
8 inch	10000 cu. ft.	23.00
10 inch	14200 cu. ft.	31.50
12 inch	20000 cu. ft.	44.00

Each one hundred (100) cubic feet in excess of the quantities allowed for the foregoing minimum charges except as hereinafter provided.. $ .213

Each one hundred (100) cubic feet in excess of the first thirty thousand (30,000) cubic feet .....$ .142

Each separate building or premises in addition to the first or principal building or premises supplied through the same service connection, five hundred (500) cubic feet or less $2.50

Provided, that the terms "separate building or premises" shall not apply to trailer parks or trailer courts, which shall be governed as to water rates by the number and sizes of services and quantity of water used under the previous schedule.

Water supplied to municipal departments of the City of Seattle, each one hundred (100) cubic feet in excess of the quantity allowed for the foregoing minimum charges .....$ .142

The rates for water supplied for fire protection purposes exclusively shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

SIZE OF SERVICE	SERVICE CHARGE
2 inch	$ 1.85
3 inch	2.75
4 inch	3.50
6 inch	5.40
8 inch	7.10
10 inch	9.75
12 inch	11.70

The service charges hereinabove set forth shall be granted only during such times as there is no appreciable registration by the meter maintained by the City on such fire protection services.

Water used for any other purpose than for extinguishing fires, through a fire protection service, shall be charged at a rate double the common rate provided for in this ordinance.

← Domestic and commercial rates and fire service charges for inside the City limits of Seattle, Washington. Outside the City limits, rates are slightly higher for the same services.

Battle Ground, Washington

JAY S. HAMMOND, Governor

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
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July 24, 1979

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This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

No tax break

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

No

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

No

HGLH

EVERETT, WASH.

Service connection installations larger than the two-inch size shall be charged at the actual cost of the complete installation.

5. Delinquent penalty charge:
(See § 14.16.690) $15.00

6. Special charges:
   a. Turn-on requested less than thirty days after turn-off requested
   (See § 14.16.280) ..... $10.00 each
   b. Shut-off and turn-on requested for premises where customer's stop and waste valve should have been used (See §§ 14.16.220 and 14.16.250) ..... $10.00 each
   c. Turn-on or shut-off requested for a time other than regular hours (See § 14.16.250) ..... $30.00 each

7. Fire Service. The rates for water supplied exclusively for fire protection purposes shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

Size of Service	Service Charge
4 inches	$ 4.00
6 inches	5.50
8 inches	7 50
10 inches	10.00
12 inches	12.00

B. Outside the City Limits.

1. Individual Meters. The consumption and minimum monthly charges for individual metered services outside the city limits shall be computed in the same manner as for metered customers within the city and then a surcharge of twenty-five percent of this amount shall be added to the charge so computed to arrive at the total monthly water charge.

2. Master Meters.
   a. The consumption charges for master meters outside the city limits shall be computed in the same manner as for individual metered services outside

meter. In the case of premises for which both fire protection and other water service for such uses as domestic commercial, industrial, or manufacturing purposes is supplied, there may be two service installations made to the premises; one for fire service only and one for other water service. These service functions may also be combined in a single service connection with the approval of the water department.

In the event two separate service connections are installed, the fire protection system so served shall consist of an automatic sprinkler system only, without additional outlets which could normally be used for other than fire suppression purposes. (Ord. 1561 (part), 1971).

6.21.040 Fire service monthly service charges. (a) The minimum monthly rates for inspection and maintenance of detector check systems are fixed as follows:

FIRE SERVICE OR DETECTOR METER SIZE	MONTHLY SERVICE CHARGE
2"	$ 5.00/month
3"	5.00/month
4"	5.00/month
6"	7.50/month
8"	10.00/month
10"	15.00/month

Water used through the fire service line for fire suppression purposes and limited testing of the system will normally be furnished without any charge in addition to the monthly minimum charge set forth for fire service meter or detector check meter.

(b) If a detector check meter proves, or proof otherwise provided, leakage or unauthorized usage of water which is not for fire suppression purposes, the customer shall pay for all water used at the applicable metered rate. The rates for water so used are fixed as follows: At the time of first written notice from the city water department the applicable rate shall be the same as the domestic rate for comparable size of domestic water meter for unauthorized use over one hundred cubic feet per month; in the event the unauthorized use again occurs after the period of time specified in the written notice from the water department the rate shall be double the domestic rate for a comparable size domestic water meter for such unauthorized use over one hundred cubic feet per month.

(c) References made by this chapter as to existing metered rates shall be to Chapter 6.20 of the Edmonds city code. (Ord. 1561 (part), 1971).

6.21.050 Violation--Penalty. In addition to all civil rights of collection, liens, shut-offs and other remedies available to the city of Edmonds as prescribed by statute and ordinance for unauthorized use and/or nonpayment of charges, any person, firm, corporation or other organization, including any officers, directors and managers thereof, who violate any provision of this chapter shall be guilty of a misdemeanor and subject to penalties as set forth in Section 5.12.170 of the

This study was initiated prior to this legislative session for informational purposes in APUC Docket U-79-14, Re Anchorage Water Utility.

In July 1979, the Commission Staff mailed questionnaires to all known municipal water utilities within Alaska and to several municipal water utilities in the northwestern United States. The questionnaire consisted of three questions:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

Of approximately 40 questionnaires sent within Alaska, 13 replies were received and of 93 questionnaires sent out of state 42 replies were received.

TABULATION OF REPLIES

Alaska	Question #1	Question #2	Question #3
Cordova	No*	No	No
Dillingham	No	Yes	No
Homer	No	No	No
Juneau	No	No	No
Kenai	No	No	No
Ketchikan	No	Yes	No
Kodiak	No	No	No
Nome	No	No	No
North Pole	No	Yes	No
Petersburg	No	Yes	No
Seward	No	No	No
Sitka	No	No	No
Skagway	No	No	No
Total Yes:	0	4	0
No:	13	9	13
Idaho			
Burley	No *	Yes	Yes
Couer d'Alene	No	Yes	No
Moscow	No	No	No
McCall	N/A	N/A	N/A (Sewer Utility)
Mountain Home	No	No	No
Total Yes:	0	2	1
No:	4	2	3
N/A:	1	1	1

* Most of the "No" answers on question #1 appear to be directed to the first part of the question. There were several "Neithers."

Note: All of the cities listed here appear to have city owned water systems. Information was previously supplied to the committee re privately owned water utilities such as Central Alaska Utilities, College Utilities Corporation, etc., and the regulated Municipal Water Utility, Anchorage Water Utility.

Oregon

Ashland	No *	Yes	No
Astoria	No	Yes	No
Baker	No	Yes	No
Canyonville	No	No	No
Central Point	No	Yes	No
Clackamas County	No	N/A	N/A (Not Water Utili
Coquille	No	No	No
Corvallis	No	Yes	No
Cottage Grove	No	No	No
Lowell	N/A	No	No
Portland	No	Yes	No
Reedsport	No	No	No
Roseburg	No	Yes	No
Salem	No	No	No
Sandy	No	No	No
Stayton	No	Yes	No
Total Yes:	0	8	0
No:	15	7	15
N/A:	1	1	1

Washington

Anacortes	N/A	Yes	No
Battle Ground	No *	No	No
Blaine	No	No	No
Cheney	No	No	No
Clinton	N/A	N/A	N/A (No sprinkler systems)
Edmonds	No	Yes	No
Everett	No	Yes	No
Fircrest	No	No	No
Forks	No	No	No
Longview	No	Yes	Yes
Moses Lake	No	No	Yes
Okanogan	No	Yes	No
Olympia	N/A	Yes	No
Pasco	No	Yes	No
Port Angeles	No	Yes	No
Pullman	No	No	No
Seattle	No	Yes	Yes
Tacoma	No	Yes	No
Union Gap	N/A	Yes	Yes
Wenatchee	No	Yes	No
Yakima	No	Yes	No
Total Yes:	0	13	4
No:	17	7	16
N/A:	4	1	1

* Most of the "No" answers on question #1 appear to be directed to the first part of the question. There were several "Neithers".

Note: All of the cities listed here appear to have city owned water systems. Information was previously supplied to the committee re privately owned water utilities such as Central Alaska Utilities, College Utilities Corporation, etc., and the regulated Municipal Water Utility, Anchorage Water Utility.

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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TO ASSURE LEGIBILITY

CORRECTION

SB
389

COMMITTEE REPORT

SENATE

FURTHER: Finance

Date: 2/5/80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 389 senior citizen property tax exemption

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Marks

Tom Kelly

Ted Schwinden

Tom Towe

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Walter Stephens
CHAIRMAN

S 60 (Rev. 12/78)

This bill is
Almost identical
to HCR 45

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

Rec'd 4-3-80

Original sponsors: Bradley, Kerttula,
Mackney, et al

IN THE SENATE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 389

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the senior citizen property tax exemption; and providing for an effective date."

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

* Section 1. AS 29.53.020(a)(6) is amended to read:

(6) the real property of certain residents of the state to the extent and subject to the conditions of AS 29.53.022 [PROVIDED IN (c) OF THIS SECTION].

* Sec. 2. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.022. SENIOR CITIZEN PROPERTY TAX EXEMPTION. (a) The real property of a resident 65 years of age or older is exempt from taxation under this chapter. The real property exempt from taxation under this section includes

(1) the entire parcel of real property owned and occupied by the resident as a permanent place of residence; and

(2) a parcel of real property owned by the resident which is adjacent to the parcel of real property owned and occupied by the resident as a permanent place of residence if the adjacent parcel qualifies for the exemption, as determined by the Department of Community and Regional Affairs by regulation.

(b) Only one exemption may be granted for a parcel of real property under this section. If two or more residents are eligible for the exemption for that parcel, the parties shall decide between or among themselves which of them shall receive the exemption.

(c) A parcel of real property may not be exempted from taxation

under this section if the assessor determines, after notice and hearing to the parties concerned, that title to the parcel has been conveyed to a resident who is an applicant for the exemption primarily for the purpose of obtaining the tax exemption. The decision of the assessor under this subsection may be appealed by the applicant under AS 44.-62.560 - 44.62.570.

(d) A tax exemption may not be granted unless a resident submits an application for an exemption. The application for exemption shall be made on a form prescribed by the state assessor for use by assessors of boroughs and cities which levy and collect real property taxes. A resident shall file his application by January 15 of the year for which a tax exemption is requested, but the city council or borough assembly, for good cause demonstrated by the resident, may waive the resident's failure to file an application by the time it is due and direct the assessor to accept the application as timely filed.

(e) An applicant for a tax exemption under this section shall file a separate application for each year in which the tax exemption is requested.

(f) If a tax exemption application is filed by January 15 and is approved by the assessor, he shall allow a tax exemption in accordance with the provisions of this section. If a resident whose failure to file by January 15 has been waived as provided in (d) of this section and the application for tax exemption is approved by the council or assembly, the amount of tax which the resident may have already paid for the assessment year with respect to the real property exempted shall be refunded to him.

(g) The assessor may at any time require proof in the form he considers necessary of the right and amount of an exemption claimed under this section.

(h) The state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of this section. However, reimbursement will be made to a borough or city for revenue lost to it only to the extent that the loss exceeds an exemption which was granted by the borough or city, or which upon proper application by an individual would have been granted by the borough or city, under AS 29.53.025(a).

(i) Except as provided in (h) of this section, nothing in this section affects similar exemptions from property taxes granted by municipalities on September 10, 1972, or prevents municipalities from granting similar exemptions by ordinance as provided in AS 29.53.025.

(j) In this section, "real property" includes, but is not limited to, mobile homes whether classified as real or personal property for municipal tax purposes.

* Sec. 3. AS 29.53.020(c) - (i) are repealed.

* Sec. 4. This Act takes effect January 1, 1981.

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

Committee Log Book - 1980

Tape Number XXII

SENATE C/RA

Committee

Side Number 1

Dates 4/3/80 to --

Present: Senators Kelly, Mulcahy, Rodey, Stimson & Chairman Sturgulewski

Bill Numbers Discussed

SB 389	SB 451	SB 452	SB 510						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/3/80 1:30	005	SB 389	Chairman Sturgulewski opened meeting
			and brought "CS" before Committee for consideration
	063		Steve Van Sante, Dept. C/RA/ intent of parcel, one
			or more parcels
			Agreed to assist in wording for letter of Intent
	114		Rodey / moved to pass "CS" do pass w/ rec.
			Bill passed unanimously
	148	SB 451 &	Chairman Sturgulewski brought out "CS"
	200	452	Ruth Allington, Staff to Sen. Fahrenkamp
	225		Sen. Kelly
			Sen. Rodey moved "do pass" with ind. recommendations
	263	SB 510	Chairman Sturgulewski brought out "CS"
	321		Mitch Gravo/ Anchorage Municipality
	333		Sen. Kelly -tax on books & freezing mill rate
	388		Terry Earley, Dept. C/RA
	414		Sen. Rodey moved to pass out with ind. recomm.
			No Objections
	422		Sen. Sturgulewski packet of letters on whole tax
			related concerns - real property sent out....
	458		MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XXI
Cassette 1 & 2
Side Number 1 & 2

SENATE C/RA
Committee

Members present: Chairman Sturgulewski, Kelly, Mulcahy, Stimson
" absent: Senator Rodey

Dates 4/1/80 to --

Bill Numbers Discussed

SB 451	SB 452	SB 370	SB 389	SB 510					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/1/80 1:30 p.	008	SB 451 & 452	Chairman Sturgulewski - gave summary on amendments
	177		Senator Fahrenkamp, sponsor, gave background
	313		Sen. Kelly re SB 451- Why not straight Appropriation?
	393	SB 370	Gary Crouse, Dept. of Public Safety, Fire Prot. Offi
			Sen. Kelly moved to Pass with individual recommendation. Bill passed out of Committee / Sen. Stimson / Sturgulewski "Do pass"
	520	SB 389	Jack Chenowith, Legal Office / Sen. Sturgulewski
	619		Terry Earley, Dept. C/RA/ Tax Assessor
	713		J. Chenoweth, Amendment - New amendment giving C/RA ability to determine adjacent parcels.
Side 2	000		Frank Lee, Sen. Bradley's AA, re parcel/tract
	102		Gary Jenkins, Private Citizen
	206		Carl Haggerup, Private Citizen/ Sen. Sturgulewski
	356	SB 510	Chairman Sturgulewski/ Bill Summary
	391		Jack Chenoweth, Legal Office
	604		Dept. C/RA
	671		Gary Jenkins, Dept. of Revenue
	691		Mitch Gravo, Anchorage Municipality,
	833		Pre conditional exemption based on reimbursement Ginny Chitwood, AML, funding- municipality reim.
Cassette 2			Senator Sturgulewski Senator Kelly
	055		Jack Chenoweth, Legal Officeg failure to fund over

3:15 p.m. - meeting adjourned

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Senate - RH

April 1, 1980

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
	Ginny Chitwood	2041 Franklin St Anchorage, AK	AK Municipal League
SJR 10	Mitch Gravio	Pouch 6-650 Anch 99501	Mun of Anch

Committee Log Book - 1980

Tape Number XX

SENATE C/RA

Committee

Side Number 1

Dates 3/27/80 to

PRESENT: Senators Kelly, Mulcahy, Stimson, Rodey and Chairman Sturgulewski

Bill Numbers Discussed

SB 389	SB 408	HJR 62							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/27/80 389	005	SB 389	Chairman Sturgulewski overview (received testimony
			but did not put bill up for action as CS not
			yet received.
	084		Mary Ross
	221		Vivian Lovelace
	269		Carl Hagerup
	435	HJR 62	Sen. Kelly
	450		Bob Speed, AA to Rep. Gardiner
	483		Sen. Sturgulewski
			Bill was passed out with no objections
	540	CSSB 408	Sen. Sturgulewski
	618		Sen. Mulcahy Moved "CS" do pass w/rec.
			Sen. Sturgulewski "Do Pass" // no objections
	668		MEETING ADJOURNED

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

Official Business

March 31, 1980

TO: Senator Bob Mulcahy, Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Mike Colletta
Senator Don Bennett
Senator Brad Bradley
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Frank Ferguson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building, Butrovich Room

Tuesday, April 1, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention

SB 389 - An Act relating to the senior citizens tax exemption

SB 510 - An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date

SB 451 - An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils

SB 452 - An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date.

SB 351 - An Act relating to state aid to local governments; and providing for an effective date

TELECONference

Committee Log Book - 1980

Tape Number XI

Senate CRA
Committee

Side Number 182

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, Mulcahy Dates 2/26/80 to —

Absent: Sen. Rodey

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 389		SB 456		SB 431	SB 138	SB 154

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40 P.	005		Mtg. Opening - Summary
	075	SB 299	Sen. Kerttula - "
	252		Sen. Kelly - Bill Intent
	275		Sen. Kerttula
	315	SB 427	Sen. Ferguson - Summary
	428	SB 389	Mayor. Don Gillman Soldotna)
		SB 427 SB 456 & SB 465	
	522		Sen. Sturgulewski -
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " 02.08 - Should be 29.53.025
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palmquist Incorp. Language SS HC R4
	791	SB 456	" "
	793	SB 465	" "
	803	SB 465	Sen. Stimson)
	840	SB 299	"

Side (1)

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stimson
082	SB 389	Pat Porter - Soldotna (SS SB 45 - line 16)
138		Ruby Coil
241	SB 425	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	Rose Palmquist
454	~~SB~~ 431	Larry Kadell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (For Sen. Bradley)
539	SB 154	
	SB 389	
~~680~~ 617	SB 427	Vivian Loveless
659	SB 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Rodey arrived

Adjourned

Mtg.

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	2/22	3
News releases (local)	[illegible] 2/20	1
News releases (outlying media)	Ktn Daily News KTKN KRBD	
Direct mail		
Phone contacts		
Other:		

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811
Phone: 465-4980

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 – An Act providing a partia' exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 – An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and pro iding for an effective date.

SB 154 – An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M April 2, 1980

SUBJECT: CSSB 389, senior citizens property tax exemption

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

FROM: John B. Chenoweth
Legislative Counsel

For the record, I have left the term "adjacent" in the committee substitute, and assume that, if this committee substitute is enacted, the administering agency will rely on the definition of "adjacent" as one which exempts a parcel which is close to, but does not necessarily adjoin or is not contiguous to, the parcel on which is located the applicant's principal place of residence. In light of the committee's recommendation, the parcel "across the road" or the parcel created by subdivision of an existing parcel by a new road should qualify for the exemption under any test which the department may establish. I am less confident that a parcel that is "across the road" but separated from the main parcel by intervening acreage would meet the definition of "adjacent".

I have included reference to regulations of the department. While the department should be able to describe general categories in which the exemption is allowed and those in which it is denied and adopt these into the administrative code, the reference is broad enough for the department to adopt an approach which constitutes no more than a case-by-case determination if they think that approach to be more practical.

For the benefit of the committee, the provisions which were included in the original senior citizens exemption program for protection of the state and the applicant, and which are carried forward in this version in subsections (c) and (g), apply not only with respect to the "residence" parcel, but also with respect to "adjacent" parcel.

I had no instruction to amend the effective date clause. The changes wrought by the committee substitute take effect with the next assessment year. While some senior citizens would have to pay an incremental amount in the current assessment year (1980), those persons are not paying more tax than what they would under the law as it currently reads. With the effective date delayed, the department has six to eight months to redraft its regulations, conduct public hearings, and establish the necessary changes in order to prepare for the substantive effects of this bill.

JBC:ljb

Enclosure

Introduced: 2/5/80
Referred: Community & Regional Affairs and Finance

BY BRADLEY, KERTTULA, HACKNEY, COLLETTA, DANKWORTH, RODEY, FAHRENKAMP AND BENNETT

IN THE SENATE

SENATE BILL NO. 389

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the senior citizen property tax exemption; and providing for an effective date."

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

* Section 1. AS 29.53.020(e) is amended to read:

(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property. An exemption under this subsection is limited to the assessed value of a parcel or tract of property of 160 acres or less. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

* Sec. 2. AS 29.53.020(i) is repealed and re-enacted to read:

(i) In (e) - (i) of this section

(1) "real property" includes but is not limited to mobile homes, whether classified as real or personal property for municipal tax purposes;

(2) "resident" means a person who has claimed Alaska as his place of residence for at least 25 consecutive years preceding applica-

tion for the exemption provided in (e) and (f) of this section; a break in residency of more than 30 days in a calendar year operates to defeat the applicant's claim of residency for that year.

* Sec. 3. This Act takes effect January 1, 1981.

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

March 25, 1980

SENATE BILL 389

Delete lines 12-14 -- all underlined wording and add attached insert.

Delete (2) of Sec. 2 (lines 28 and 29 on page 1; and lines 1-3 of page 2.

Please leave Sec. 3 - line 4, page 2 as is.

SB 389

(e) --- AN EXEMPTION UNDER THIS SUB SECTION IS LIMITED TO THE ASSESSED VALUE ~~OF LAND~~ OF A DWELLING AND THE LAND UPON WHICH IT IS SITUATED INCLUDING ALL CONTIGUOUS OR ADJOINING LAND. PROVIDING THAT LAND IS NOT USED FOR OTHER THAN RESIDENTIAL PURPOSES. A DIVISION OF A PARCEL BY A PUBLIC RIGHT-OF-WAY DOES NOT RENDER IT NON-CONTIGUOUS.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 389

Title Relating to Senior Citizens Tax Exemption

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected Senior Citizen Tax Relief

(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	.5	.5	.5	.5	.5	.5
400	COMMODITIES						
500	EQUIPMENT	1.0	0	0	0	0	0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.	67.0	75.0	84.0	94.0	105.0	118.0
	TOTAL	68.5	75.5	84.5	94.5	105.5	118.5

FUNDING (Thousands of Dollars)

GENERAL FUND	68.5	75.5	84.5	94.5	105.5	118.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

This updated fiscal note is needed to initiate changes which the Department anticipates will occur in the Committee Substitute. It appears that individual permanent files must be set up for approximately 4000 senior citizen applicants which will necessitate the purchase of a filing cabinet.

The $500 under contractual services is the estimated increase in the use of the Departments Zenith line for use by senior citizens.

IV. DATE 4-2-80 PREPARED BY Steve Van Sant SVS

AGENCY Community & Regional Affairs

PHONE 465-4787

Original: Legislative Finance

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

33–001 (Rev. 12/79)

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 389
Title Relating to Senior Citizen Tax Examption
Requested by Bradley Date

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected Senior Citizen Tax Relief

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		67.0	75.0	84.0	94.0	105.0
TOTAL		67.0	75.0	84.0	94.0	105.0

FUNDING (Thousands of Dollars)

GENERAL FUND		67.0	75.0	84.0	94.0	105.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

No fiscal impact for administration of this program. Grant increase is based on information received from local municipalities. Yearly increase is estimated at 12% per year. This assumption is based on historic information on valuation increases.

IV. DATE _____ PREPARED BY Steve Van Sant SVS
AGENCY Local Government Assistance Division
PHONE 465-4787

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

33-001 (Rev. 10/78)

Feb. 28, 1980

Community + Regional Affairs
Committee
Ak. State Legislature
Pouch V
Juneau, Alaska 99811

Attn: Alice Sturgulewski
Committee Chairman

After reading Senate Bill No. 389, the last portion that reads: "a break in residency of more than 30 days in a calendar year operates to defeat the applicant's claim of residency for that year." is very upsetting to me.

In a few years I will be 65 and it is about that time I plan a trip to see my niece on the east coast, going via Canada in my motor home. I can hardly make it there and back in that time, without any time for visiting. If, under SB 389, I stay outside more than 30 days when I return, I'd have to pay nearly $800 in taxes, thus penalizing me for taking a vacation when I am retired + have the time.

This is all wrong in my opinion and something should be done to spell out residency as keeping a valid home in Alaska whether we leave the State for 30 days or 60. I am much opposed to this 30-day time limit, although some type of limit should be listed to do away with those who spend 6 mos. of every year in the balmy south.

Sincerely,

Loraine McGregory
P.O. Box 622
Juneau, ak. 99802
(35-yr. resident)

Rt. 4, Box 4973
Juneau, Alaska 99803
March 5, 1980

Senator Julius Sturgulewski
State Senate
Juneau, Alaska

Dear Senator Sturgulewski;

Please let me call your attention to proposed legislation of great interest to senior citizens now and to future tax payers both now and in the future. My understanding is that both bills are now in Committees of Regional and Community Affairs and the Finance Committee, in the Senate. I would strongly urge that those in the Senate support Both S.B. 389 and SB. 427, and those in the House support the bill Rep. Mike Miller is working on, which covers the same material as S.B. 427, and is now in committee.

I. Senate Bill 427 which relates to senior citizens tax exemption. The original act should be amended to read; as follows: "The real property exempt from taxation under this subsection (Sec. 1. AS 29.53.020 e) continues to be exempt if owned and occupied as a permanent place of abode by the surviving spouse of the resident, if the surviving spouse is 55 years or older and has a gross annual income of less than $20,000." This needed change might enable more of surviving spouses, who are usually women, and whose income is reduced already by death of spouse, to remain in their homes.

II. Senate Bill 389 which relates to senior citizens tax exemption also. This bill would exempt from taxation all real property owned by the senior citizen which is contiguous to his or her place of abode. Many seniors, including myself, have been forced, due to high real property taxes, to subdivide his or her acres and keep selling lots, in order to pay taxes and try to keep up with inflation. Since I come from people who usually live to be 100 years or more, I could easily, under present set-up, outlive my income and become a pauper and a burden to the state. How much better, not only for seniors, but for all present and future taxpayers, if all of a senior's property which is contiguous with his or her place of abode, becomes tax exempt. This would enable more to remain in their own homes, and would decrease the need for state to build more senior housing units and pioneer-type homes.

Another section of S.B. 389 refers to a residency requirement which should be more explicitly spelled out. I am not sure if this following suggestion has been incorporated into the bill, or has only been proposed. But it should read: " A person does not break his residency requirement if he or she leaves his or her home and goes to any other place for a temporary period, and with intent of returning to his or her home." Many seniors save for several years in order to take a trip outside, and they should not have a limit on time away from Alaska to 30 days, which is not enough time to visit widely separated relatives, etc. This one, relates to a proposed change in eligibility for Longevity Bonus.

I urge these bills with above amendments be passed in Senate, and that in the House Rep. Mike Miller's bills regarding the above matters be passed.

Thank you,
Sincerely yours,
Mary E. Ross
Mary E. Ross

PS Please see that my thoughts are conveyed to the appropriate Committees.

Copies to: Ray Duncan
Mike Miller.

SB
408

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/8/80

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 408

making a special appropriation to the Dept. of Community & Regional Affairs for village gardening projects

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 [ ] new title

and recommends _____

[ ] 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:

Tom Kelly No Rec.

_____
CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XX

SENATE C/RA

Committee

Side Number 1

Dates 3/27/80 to

PRESENT: Senators Kelly, Mulcahy, Stimson, Rodey and Chairman Sturgulewski

Bill Numbers Discussed

SB 389	SB 408	HJR 62							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/27/80 389	005	SB 389	Chairman Sturgulewski overview (received testimony
			but did not put bill up for action as CS not
			yet received.
	084		Mary Ross
	221		Vivian Lovelace
	269		Carl Hagerup
	435	HJR 62	Sen. Kelly
	450		Bob Speed, AA to Rep. Gardiner
	483		Sen. Sturgulewski
			Bill was passed out with no objections
	540	CSSB 408	Sen. Sturgulewski
	618		Sen. Mulcahy Moved "CS" do pass w/rec.
			Sen. Sturgulewski "Do Pass" // no objections
	668		MEETING ADJOURNED

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

TO:

Senator Bob Mulcahy Vice-Chairman	Senator Jalmar Kerttula
Senator Tim Kelly	Senator Ed Dankworth
Senator Pat Rodey	Senator Bettye Fahrenkamp
Senator Terry Stimson	Senator Don Bennett
Senator Mike Colletta	Representative Terry Gardiner
Senator Brad Bradley	Representative Oral Freeman
Senator Glenn Hackney	Representative Ernie Haugen
Senator Robert Ziegler	Representative Richard Eliason

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Tuesday, March 25, 1980 - 1:30 p.m. (Butrovich Room)

SB 370 - An Act relating to fire prevention.

SB 309 - An Act requiring the preparation of a local government impact statement.

SB 348, 349, 492 - (Part of the Local Government Study Package)

Wednesday, March 26, 1980 - 1:30 p.m. (Beltz Room)

SB 348, 349, 492 - Local Government Study Package Work Session

Thursday, March 27, 1980 - 1:30 p.m. (Butrovich Room)

SB 408 - An Act making a special appropriation to the Department of Community and Regional Affairs for village gardening projects; and providing for an effective date

HJR 62 - An Act relating to the Alaska Power Authority and the incurring of revenue bond indebtedness of the APA for the Tyee Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough.

SB 389 - An Act relating to the senior citizens tax exemption.

Friday, March 28, 1980 - 1:30 p.m. (Governor's Conference Room)

HB 932 - Creating Office of Rural Development and Rural Development Council
Joint C/RA meeting (teleconference)

SB 408

Committee Log Book - 1979

Tape Number IX

Senate C/RA - Chairman Sturgulewski
Committee

Side Number (1) & (2)

Mbrs. Present: Sen. Kelly, Rodey, Stimson
Absent: " Mulcahy

Dates 2-19-80 to —

Bill Numbers Discussed

SB 16								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 2-19-80	000	SB 16	start - Chrmn Sturgulewski gave summary
	106		Marilyn Mills, AML - Supp. Full Funding Pro Sharing
	154		Sen. Stimson Question - Full Funding & 3% Rev. Sharing
	196		Sen. Kelly - Candidates HB 192
	218		Sen Rodey
	289		Palmer McCarter - Dept C/RA
	335		Sen. Stimson - Rd mile & tipple Cost
	364		Sen. Kelly - Hold until other revenue Sharing bill rec'd.
	370		" Rodey - concurred
	384	CS SB 436	Sen. Sturgulewski - Summary
	467		Sen Kelly - "Do Pass"
			Senators Rodey & Sturgulewski Concurred
	470	SB(CS) 131	Sen. Sturgulewski - Summary
	514		Keith Kelton Dept. Environ. Conservation re Committee intent "Construction"
	593		Sen. Kelly - pipe distribution purposes
	620		Sen. Sturgulewski - will request a legal opinion & forward to Finance

(Over)

Keith Kelton (cont'd)

629 _____ Sen Rodey - Basically rural program?

660 "CS" SB131 DAN Opp? Kodiak & Borough

684 Kelly move "Do Pass with individual recommendation"
Rodey, Stimson "Do Pass"

697 - SB408 Jeff Haynes - Dept. Nat. Resources

841 Sen. Kerttula

Side ② 200 Palmer McCarter - Dept. C/RA

229 Jeff Haynes - Dept. N. R.

289 Sen. Stimson

350 Mtg adjourned (Agreement to hold bill for further input from DNR)

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA Mtg.

~~2-19-80~~ Re: Retail a

2-19-80

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
SB 16	Gordon Brubaker	OK Farm Bureau
SB 43	Frank Keating	Dept Wat. Res.
SSSB 181	Kent Frantz	D
SSSB 626		
SB 408	JEFF WINES	TNRC Ranch M

I. REQUEST

Bill/Resolution No. S B 408

Title An Act making a special appropriation to the Department of C&RA for village garden

Requested by Resources Committee Date 2-14-80 proj

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Social Services

Budget Request Unit(s) Affected Community Assistance Grants

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

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

This bill alone will have no fiscal impact, although the cummulative affect of various appropriations may warrant additional positions within this department.

IV. DATE 2-14-80 PREPARED BY Linda Powelson

AGENCY Community & Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/78)

SB408

FEB 4 1980

Copper River Native Association
ATNA' T'AENE NENE'
Drawer H • Copper Center, Alaska 99573 • Phone (907) 822-3849

February 1, 1980

HD-606

Senator Jalmar Kertulla
Minority Leader
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Kertulla,

Enclosed is the Copper River Native Association proposal for our Village Gardening and Agriculture Program. We would very much like having this proposal considered for funding.

A copy of this proposal has been sent to John C. Sackett, Nels A. Anderson, Jr., Pappy Moss, Margaret Branson and Patrick J. Carney.

We would like to get funding to enable us to start this program up in the spring. Any help you could give would be greatly appreciated.

Thank you in advance for your consideration of this request.

Sincerely,

Robert J. Hale Jr.

ROBERT J. HALE, JR.
Agriculture Specialist
Copper River Native Association

Enclosure

RH/cl



Copper River Native Association
ATNA' T'AENE NENE'
Drawer H • Copper Center, Alaska 99573 • Phone (907) 822-3949

P R O P O S A L

Copper River Native Association, Inc.

Health Department

January 23, 1980

"Village Gardening and Agriculture Proposal"

Drawer H

Copper Center, Alaska 99573

INTRODUCTION

The Copper River Native Association, Inc. was started in 1972 to serve the native people of the Ahtna region.

Our major focus is to assist people in developing their full potential, with the outcome being the improvement of their quality of life.

Copper River Native Association has been growing steadily. At the present time there are approximately 50 employees working in different departments of the organization.

The organization consists of a Health Department, a Housing Program, an Aging Program, a Human Services Program, and a Bilingual Program. Its main office is in Copper Center. From this central location, Copper River Native Association reaches out to the eight villages of the Ahtna region.

NEED FOR A GARDENING PROGRAM

Four Alaska native organizations now have Village Gardening and Agriculture Programs.

Some of the native people of the Ahtna region have asked the Copper River Native Association -- which is the area's major non-profit organization -- if such a program could be started in this region too. (See attached letters).

A gardening program would be completely in accord with the Copper River Native Association's goal of developing the full potential of the area's people and land, and would fit easily into the agency's existing programs. (The Health Department, for example, has an ongoing nutrition program).

A gardening program would be a useful addition in providing

home grown food to supplement native subsistence diets and to make better balanced meals.

The Copper River Basin is a poor region with high unemployment and high food prices.

In an informal unemployment survey made by the Copper River Native Association in December of 1979, it was determined that approximately 60% of all Copper Basin natives are out of work. Unemployment figures for this area that are used by the State of Alaska are often much lower than actual area unemployment levels in that they do not count persons who are not "on unemployment" (i.e. receiving money from the government). The Copper River Basin is also in the unusual situation of having its unemployment figures pooled with the figures from Valdez, which has very low unemployment and very high wages, due to jobs from the Alaska Pipeline terminus.

Copper River Native Association will work in the gardening program with native people who want to become involved in farming they can produce their own farm income and farm foods, and thus inprove their way of life and help to combat the area's poverty.

The Soil Conservation Service has made soil surveys of some of the Ahtna area and found that a large percentage of the Copper Basin is very good for farming and gardening.

According to Allen Koester, District Conservationist with the Soil Conservation Service, Copper Basin soils are generally silt loams 15 inches deep. They have a capability

Class III for agricultural uses. The climate of this area -- which can vary from being quite cool, to wet, to dry -- is the main limiting factor.

Nevertheless, all grain and hay crops and cool season vegetable crops adapted to Alaska can be grown in this area, and a substantial number of persons make their living by farming, especially in the Kenny Lake region. Warm season crops, such as zucchini, can be grown successfully outdoors in protected areas using a plastic mulch.

Gardening and farming have been going on in Chitina and Copper Center since the turn of the century. In the early 1900's, in fact, there was an agricultural station in the town of Copper Center. After the late 30's and 40's, however, when the Kennicoott Copper Mine closed, gardening was lost to the area.

PROGRAM OBJECTIVES

The primary purpose of this program is to provide educational and technical gardening assistance to eligible Alaskan Native individuals and organizations located in the Copper River Basin (Ahtna) region.

The program will:

1) Teach at least 55 native families in the four Copper Basin villages of Chitina, Copper Center, Gulkana and Chistochina gardening techniques that are suitable to their areas.

2) Ensure that a majority of the 55 Native families enrolled in the program will be able to supply all the cold-weather vegetables they need for their families for eight or nine months of the year.

3) Teach the 55 Native families enrolled in the program how to can and preserve food for the winter.

4) Encourage at least eight Native persons who are enrolled in the program to go into other areas of farming -- such as raising cattle, pigs and chickens for eggs.

5) Obtain the necessary gardening equipment (as itemized in the "Budget" section) for the program's four villages.

6) Obtain bedding plants for the first year of the program.

METHODS

The Copper River Native Association will hire a person who has experience in agricultue and Alaskan farming and horticulture to run the Village Gardening and Agriculture Program.

One person from each of the four villages involved in the program will be intensively trained on a one-to-one basis during the first year of the program in gardening techniques. Each of these persons -- who will be called Gardener I's -- will work 10 weeks during the summer season in his or her own village helping other local persons in their gardening.

Food preservation and canning classes will be given through the Copper River Native Association by the Palmer Cooperative

Extension Service in each of the 8 villages in the Copper River Basin. Two of the classes will be given in each of the 8 villages -- one in June and one in August.

An 18' x 24' x 9' prefabricated greenhouse will be purchased and erected in a central location in the Copper River Basin. It will serve as a demonstration greenhouse, and will be used in local classes.

The Agriculture Program Coordinator will hold classes in the winter and spring months on local agricultural possibilities, animal husbandry, application of fertilizer, the growing of hay or grain, and vegetable growing. Classes in the demonstration greenhouse will begin in March and run through September.

The Copper River Native Association Village Gardening and Agriculture Program will purchase local bedding plants for persons involved in the project.

The program will provide materials and equipment to program participants in the service area, as appropriate, and within the limits of available funding.

The Copper River Native Association will try to accomplish the above requirements so as to initiate or enhance the development of agricultural activities in the villages of Chitina, Gulkana, Copper Center and Chistochina, as they relate to local food production and preservation.

EVALUATION

The Agriculture Project Coordinator will evaluate this

program by conducting a follow-up survey on the 55 families who will plant gardens. Each family will be asked how much they saved on their food bills in comparison with previous years. The Coordinator will also ask participating families to comment, through a questionnaire, on program changes for future years.

The Agriculture Project Coordinator will check to see if the vegetables grown in each family's garden are enough to take them through eight or nine months of the year. If not, they will be shown how to grow more the next growing season.

The Agriculture Project Coordinator will ask the village councils in the participating villages to comment on the program and provide suggestions for program changes.

Three-quarters of the way through the first year of the program, the Agriculture Project Coordinator will evaluate the program to see if increased funding is needed to run an expanded program. If additional funds are needed, the Coordinator will be responsible for finding future funding sources.

The Agriculture Project Coordinator will report his or her findings to the Executive Director of the Copper River Native Association and to the Copper River Native Association Board of Directors for guidance in the future of the program.

FUTURE FUNDING

The Copper River Native Association intends to continue funding for this program, as needed, through a contract with the Bureau of Indian Affairs under the Snyder Act of 1921.

In addition, the Agriculture Project Coorindator will

also pursue other areas of funding in order to implement a sound agricultural program.

BUDGET

WAGES AND SALARIES:	
1) Project Coordinator Salary: ($1,532.00 for 3 months, $1,589.00 for 9 months)	$ 18,897.00
Project Coordinator Fringe (19.8%)	3,742.00
2) Secretary Salary (1/2-time): (20 hours/week @ $5.99/hour)	6,230.00
Secretary Fringe (31.2%)	1,945.00
3) Gardeners - 4 positions: ($5.66/hour each position - 7.5 hours/day x 5 days/week x 10 weeks)	8,490.00
Gardeners Fringe (22%)	1,868.
CATEGORY TOTAL	$ 41,172.
TRAVEL AND PER DIEM:	
Local travel to villages (26,000 miles x 18-1/2¢/mi.)	$ 4,810.
Travel to Anchorage (24 trips x 420 mi. x 18-1/2¢/mi.)	1,865.
Per Diem - 48 days x $62.00/day (Anchorage rates)	2,976.
Out-of-State trip to American Indian and Alaska Agriculture Conference ot other agriculture seminar	1,500.
Gardener's travel to training sessions (3,000 miles x 18-1/2¢/mi.)	555.
CATEGORY TOTAL	$ 11,706.

BUDGET

OTHER DIRECT COSTS:	
Telephone & Communications (12 months x $80/month)	$ 960.0
Office Supplies (12 months x $50/month)	600.0
Postage (12 months x $35.00/month)	420.0
Rent (12 months x $60/month)	720.0
Reproduction (12 months x $25.00/month)	300.0
Subscriptions	100.0
CATEGORY TOTAL	$ 3,100.0
MATERIALS AND SUPPLIES:	
Textbooks and printed educational materials (4 villages x $400.00 each)	$ 1,600.0
Program supplies (18 each - hoes, rakes, shovels potato forks - @ $10 each)	720.0
Seed and seed potatoes (4 villages x $300 each)	1,200.0
Bedding plants (for 55 families - 23 doz. / family 23 doz. x 55 families x $2.50/doz.)	3,163.0
Fertilizer (for 12 acres x $600/acre)	7,200.0
CATEGORY TOTAL	$13,883.0

BUDGET

EQUIPMENT AND EQUIPMENT RENTAL:	
Greenhouse (18' x 24' x 9' with heater and cooling fan)	$ 3,450.
Shipping charges for greenhouse (1250 lbs.)	1,200.
Utility costs for greenhouse maintenance (electricity and heat)	2,000.
Troy-bilt Rototiller purchase ($1,200 x 4)	4,800.
Bulldozer rental to clear land ($250/acre x 12 acres)	3,000.
Temporary rental of rototillers until delivery of one purchased (45 days x $20/day)	900.
CATEGORY TOTAL	$ 15,350.
CONSULTANT FEES AND TRAINING:	
Training for 4 gardeners ($5.66/hour x 10 days x 7.5 hours/day x 4 positions)	$ 1,698.
Consultant Fees (For travel and per diem from Palmer for 16 days)	1,406.
CATEGORY TOTAL	$ 3,104.

TOTAL BUDGET

Wages and Salaries	$ 41,172.00
Travel and Per Diem	11,706.00
Other Direct Costs	3,100.00
Materials and Supplies	13,883.00
Equipment & Equipment Rental	15,350.00
Consultant Fees and training	3,104.00
Total Program Dollars	$ 88,315.00
Less Equipment	- 8,250.00
Subtotal	$ 80,065.00
Indirect on Subtotal @ 30.4%	24,340.00

GRAND TOTALS:

Total Program Dollars	$ 88,315.00
Indirect @ 30.4%	24,340.00
TOTAL BUDGET:	$112,655.00

FARMING DEMONSTRATION PROJECT: "Reserve Item"

Copper River Native Association is applying for a grant for a Gardening and Farming Program. A person with knowledge of Alaskan agriculture would serve as the Project Coordinator and work with two of the Ahtna regional corporations in a demonstration project. This project would involve raising grain to feed beef cattle and swine. It would also enhance the development of agricultural activities with the Native people.

This pilot project would start with 100 acres being put into grain crops and expanded as funds were available and as land is conveyed to the regional corporations.

The reason for the initial site of this project being located in Kenny Lake is because farming has been established there for some time now and has proven to be successful. It is known that grain can be raised in the Copper River Basin and this project would be used to show the Native people how to raise grain and hopefully encourage raising grain as a crop, as well as raising cattle and swine for their own personal use and also as an income source.

At this time we cannot include other villages in this project until their land is conveyed and a test crop successfully grown.

The pilot project would run for five years to see what different types of grain could be grown as feed for cattle and swine.

BUDGET FOR FARMING DEMONSTRATION PROJECT "R"

Land Clearing (100 acres x $250.00/acre)	$ 25,000.00
Seed for 100 acres (100 acres x 100 lbs. x 18¢)	1,800.00
Fertilizer (100 acres x $600/acre)	60,000.00
Equipment Rental	10,000.00
	$ 96,800.00
Indirect @ 30.4%	29,427.00
Total Required:	$126,227.00

DRAWER C
COPPER CENTER, AK 99573

PHONE 907-822-3476

January 17, 1980

Mr. Tom Craig
Executive Director and
Mr. Robert Hale
Copper River Native Association
Drawer H
Copper Center, Alaska 99573

RE: Village Gardening and Agriculture Proposal

Ahtna Corporation is very much in support of your proposal of village gardening in our region. As a result of you're studies, this could be a long term and future of our people.

As conveyance to Ahtna and it's villages, we need to develop our land; and gardening and agriculture has been our peoples goal.

With Copper River Native Association information and studies this will give the villages and region a start.

Please keep me informed.

Thank you,

Norman Johns
General Manager

las

JAN 14 1980

Jay Barton
President

UNIVERSITY OF ALASKA
FAIRBANKS ALASKA 99701

January 7, 1980

Dear Mr. Hale:

I shall try very hard to get you the information you need on starting a village gardening and farming program. This year the University has few people and fewer resources to literally come down and help you get started. However, we certainly can supply some information and put you in touch with the right people to talk to. By copy of this letter I am asking Dr. James Drew, Dean of the School of Agriculture and Land Management Resources, Dr James Matthews, Director of the Cooperative Extension Service and Dr. Pat O'Rourke, Chancellor of the Community Colleges, Extension and Rural Education, to provide whatever assistance they can to your request.

Good luck with your endeavors.

Very truly yours,

Jay Barton

Jay Barton
President

JB:dm
cc: Dr. Drew
Dr. Matthews
Dr. O'Rourke

Robert J. Hale, Jr.
Agriculture Specialist
Atna Taene Nene
Drawer H
Copper Center, Alaska 99573

Kluti-Kaah Corp.
Box 154
Copper Center, Alaska 99573

Mr. Robert Hale
Copper River Native Assoc.
Drawer H
Copper Center, Alaska 99573

January 8, 1980

Dear Mr. Hale;

Our Board of Directors for the Kluti-Kaah Corporation has looked over your "Village Gardening and Agriculture Proposal," and have agreed that it would be a good project for our People in the Ahtna Region.

Please keep us posted on what becomes of the proposal. .

Sincerely yours,

John E Craig

President John E. Craig
Kluti-Kaah Corp.

Marlene A. Macy

Marlene A. Macy, Secretary
Kluti-Kaah Corp.

JC/mm

January 4, 1980

Tom Craig, Executive Director
Copper River Native Association
Drawer H
Copper Center, AK 99573

Dear Tom,

Chitina has great potentials for farming and gardening. And I am interested in getting a gardening and farming program implemented in the Village. Chitina Village also has potentials for root cellars to store vegetables but help is needed and anything Copper River Native Association can do to help will be greatly appreciated.

Sincerely,

Millie Buck

Millie Buck
Box 5
Chitina, AK

To CANA

1-9-80

Dear sir

I'm interested in small family size garden and would gladly receive any information on this subject

Sam Peter

Copper River Native Association
Drawer H
Copper Center, Alaska 99573

Dear Sir;

Recently in the past I've been thinking of growing some vegetables or start a garden at home; and I was wondering if the Copper River Native Association could do some research into some grant project of this sort of program, possibly through the Department of Agriculture. I believe this would be a worthwhile project food prices are going so high these days and I would like to start a garden if you can be of any help please advise me of this. Would like to start a garden this summer,

Sincerely,
Dale J. Smith

January 4, 1980

Tom Craig, Executive Director
Copper River Native Association
Drawer H
Copper Center, AK 99573

Dear Tom,

Chitina has great potentials for farming and gardening. And I am interested in getting a gardening and farming program implemented in the Village. Chitina Village also has potentials for root cellars to store vegetables but help is needed and anything Copper River Native Association can do to help will be greatly appreciated.

Sincerely,

Millie Buck

Millie Buck
Box 5
Chitina, AK

January 4, 1980

Tom Craig, Executive Director
Copper River Native Association
Drawer H
Copper Center, AK 99573

Dear Tom,

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Sincerely,

Millie Buck

Millie Buck
Box 5
Chitina, AK

To CANA

1-9-80

Dear Sir

I'm interested in small family size garden and would gladly receive any information on this subject

Lon Peter

Copper River Native Association
Drawer H
Copper Center, Alaska 99573

Dear Sir:

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Sincerely,
Dale Stanley

Box 163
Gakona, AK 99586

Tom Craig, Executive Director
CRNA
Copper Center, AK 99573

Dear Tom,

Anything that CRNA can do to promote and develop agriculture and gardening in this area would be very helpful to me and I'm sure to many area residents.

We tried a small garden in Chistochina last summer and did the best we could by gathering information here and there from friends and relatives. A family gardening project could be more successful if help and information more specific to this area were available. As the cost of food continues to rise, the need for this kind of help increases also.

I also want to try growing hay and oats this summer, too, and will need help there.

Thank you for any consideration given to this idea.

Sincerely,
Lemmie Charles

Chistochina, Alaska 99586
December 13, 1979

Tom Craig, Executive Director
Copper River Native Association
Drawer H
Copper Center, Alaska 99573

Dear Tom:
I would like to know if CRNA could possibly initiate a garden program for this region. There are several people in my community that have expressed a desire to have such a project started. There are approximately ten families that have an interest. Please see if such a project can be started soon. Thank you for your time and help.

Sincerely,

Lillian Boston

Lillian Boston, President
Chistochina Village Council
Chistochina, Alaska 99586

Box 77
Capay Cates, Calif.
95533

Dec 27, 1948

Leona.

Dear Lee,

Are there any seeds available for gardening? Seeds always to keep equipment and some type of windbreak to keep hens to garden?

Yours Truly,
Henry G. Jones Sr

Dear Mrs. Bennet all things are going to have
a good time in the Village.
I would like to have Glenda and Paul Dale for
it and I would like to have a good time
Elizabeth Ke
Jeppen Center

UNIVERSITY OF ALASKA, RURAL EDUCATION
PRINCE WILLIAM SOUND COMMUNITY COLLEGE
AT COPPER CENTER
DRAWER N
COPPER CENTER, ALASKA 99573

DEC 17 1979

December 14, 1979

Bob Hale, Agriculture Coordinator
Copper River Native Association
Drawer H
Copper Center, Alaska 99573

SUBJECT: Village Agriculture and Gardening Program

As representative of this branch of Prince William Sound Community College, I would like to give my completesupport to the proposed program in Agriculture and gardening for the native population in this area. A program such as this one with the present land situation would be of profitable benefit to these people who own the land. Self sufficiency from the harvest produced through this project is certainly a worthwhile goal for which to strive. Learning to live off the land could most definitely come from such a program.

This center will give all aid possible to help this program be a success.

Sincerely,

Soveida Dollarhide

Soveida Dollarhide, Coordinator

Copper Center, Ak. 99573

December 26, 1979

Copper River Native Assn.,

Dear Mr. Craig,

I am interested in seeing some type of gardening program offered by the association. Would that be possible?

I love to garden. But would like to know more about it.

Thank you.

Sincerely,
Dusty Allen

Cypress River Ratepayers Assn. 12-2-1

Cypress Centre, Alta

Dear Sir,

I have heard that some of the other regional corporations have a program to help individuals who are interested in starting a garden. As our area has potential for good, fertile land would it be possible for ARDA to have such a program. I'd be interested in attending a gardening program if one is available

Sincerely,

Carolyn Craig

Taylana, Alaska
December 28, 1979

To C.R.N.A.
Tom Craig, Executive Director
Copper River Native Ass.
Drawer H.
Copper Center, AK 99573

Dear Tom,

I would like to know if C.R.N.A. could possibly initiate a garden program for this region. I would like to have garden and need help for it and I would like to have a green house.

I have heard that some of the other regional corporations have a program to help individuals who are interested in starting a garden.

Sincerely

Elaine Lorne

DEC 1 1979
14

December 12, 1

To B.R.N.O

Are you going to have Village Gardening program like some of t other Corporations have ?

I would like to have a garden bu need help with it.

Tina Linsley

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
(907) 465-3712

April 2, 1980

Jay Hammond, Governor
State of Alaska Pouch A
Juneau, Alaska 99811

Dear Jay:

Re: Village Gardening

Recently the Community and Regional Affairs Committee considered SB 408, An Act making a special appropriation to Community and Regional Affairs for village gardening projects. The committee passed this bill out to the Finance Committee with one change, and that was to make the appropriation through the Department of Natural Resources, as opposed to the Department of Community and Regional Affairs. The committee accumulated some excellent background material in connection with their consideration of the bill. The Department of Natural Resources was asked to develop possible alternatives for developing a relationship between the Division of Agriculture and the village gardening projects. Background information from our committee file is being made available to you.

It is my understanding from the sponsor of SB 408, Senator Kerttula, that other gardening projects are being considered and may well be added during Finance Committee consideration of his bill. Without question, the interest and enthusiasm in the village gardening projects is growing! The timing appears to be superb for the Administration to develop and recommend an innovative approach for village gardening projects. It does seem imperative that there be a plan to maximize resources, provide funding, and technical and follow-up information. There appears to be a good deal of merit in alternative number 2. contained in Commissioner LeResche's March 11 memo re. Village Gardening Projects.

Again, I would appreciate your attention to this subject. Because of the high interest and enthusiasm we will no doubt see many projects proposed. Without question we are well beyond the ad hoc approach to an exciting new development in small scale agriculture. I look forward to your response.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

cc: Bob Palmer
Bob LeResche
Tony Schuerch
Senator Kerttula
Senator Sackett
Representative Carney
Wayne E. Burton
Peter M. Probasco

Enclosure

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF AGRICULTURE

P. O. BOX 1088
PALMER, ALASKA 99645
(907) 745-3236

April 3, 1980

Tony Schuesch
Kobuk Valley Educational Services
P O Box 606
Kotzebue, AK 99752

Dear Tony:

Sorry to hear of the trouble that has developed in getting your very fine program funded for this summer. You have continued to do an excellent job all along, and your program has served as a model for others to attempt to duplicate in other areas of the State. It would be a shame if you were unable to continue.

Unfortunately, there is nothing we can do with the money we have available for the 1980 fiscal year, which expires June 30, 1980. We have given the legislature our projections for continuing existing gardening projects, including yours, and those projections included funds for new programs throughout the State. It is now in the hands of the legislature. The funds appropriated last year were designated to specific projects, as I'm sure you are aware. We had absolutely no flexiblity in distributing those funds.

I will be going to Juneau next week and will talk with Jim Deagan to see why his sources have dried up. If I can find out, I'll let you know.

All is not lost, but I admit things do not look too bright. I'll be getting back in touch soon.

Sincerely,

Domonic L. Carney
Director

cc: Pat Carney
Senator Sturgulewski

10-J1LH

SB

427

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/12/80

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 427 senior citizens tax exemption

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 [ ] new title

and recommends _____

[ ] 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:

_____ CHAIRMAN

S 60 (Rev. 12/78)

#7902 - Guthrie

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 427

By FERGUSON, RAY, SACKETT, MELAND, COLLETTA, SUMNER, KERTTULA, HOHMAN, MULCAHY AND BRADLEY

"An Act relating to the senior citizens tax exemption."

Introduced in the Senate 2/12/, 19 80

HISTORY IN THE SENATE

19 80

2 12 Read first time and referred to Committee on COMMUNITY & REGIONAL AFFAIRS AND FINANCE

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. .....

31-001

Committee Log Book - 1980

Tape Number XI

Senate CRA
Committee

Side Number 1 & 2

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, McCabe

Dates 2/26/80 to —

Absent: Sen. Rodey

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 389		SB 456		SB 431	SB 138	SB 154

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40 P.	005		Side (1) Mtg. Opening - Summary
	075	SB 299	Sen. Kerttula - "
	252		Sen Kelly - Bill Intent
	275		Sen. Kerttula
	315	SB 427	Sen. Ferguson - Summary
	428	SB 389	Mayor. Son Gillman Soldotna)
		SB 427 SB 456 & SB 465	
	522		Sen. Sturgulewski - "
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " (02.08 - Should be 29.53.025)
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palmquist Incorp language SS HC R4S
	791	SB 456	" "
	793	SB 465	" "
	803	SB 465	Sen. Stimson)
	840	SB 299	"

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stimson
082	SB 389	Pat Porter - Soldotna (SS SB 45 - Line 16)
138		Ruby Coil
241	SB 465	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	ROSE Palmquist
454	~~SB~~ 431	Larry Kadell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (For Sen. Bradley)
539	SB 154	
	SB 389	
~~680~~ 617	SB 427	Vivian Loveless
659	SB 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Sen. Rodey arrived 3 P.M.

Hdg. Adjourned 3:07

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	2/[illegible]	3
News releases (local)	Pick Clinton 2/[illegible]	1
News releases (outlying media)	Ltr Daily News KTKN KRBA	
Direct mail		
Phone contacts		

Other:

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811

Phone: 465-4980

SB

431

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 431

By THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL BY REQUEST

"An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date."

Introduced in the Senate 2/12/, 1980

#7634 - Berrier

HISTORY IN THE SENATE

1980		
		Read first time and referred to Committee on
2	12	Community & Reg. Affairs and Finance
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-001

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 431

Title Exempts value of improvements which reduce energy consumption

Requested by Rules Committee Date

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		0				
PART TIME						
TEMPORARY						

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

No fiscal impact for administration of this bill.

If passed, this bill would have an impact on the local municipality.

IV. DATE PREPARED BY Steve Van Sant

AGENCY Community & Regional Affairs

PHONE 465-4787

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

33-001 (Rev. 10/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Honman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

TELECONference

Committee Log Book - 1980

Tape Number XI

Side Number 1&2

Senate CJRA
Committee

Dates 2/26/80 to —

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, McCarty

Absent: Sen. Rodey

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 389		SB 456		SB 431	SB 138	SB 154

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40 P.	005		Mtg. Opening - Summary
Side (1)	075	SB 299	Sen. Kertula - "
	252		Sen. Kelly - Bill Intent
	275		Sen. Kertula
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	427	SB 389	Mayor Don Gillman Soldotna
		SB 427 SB 456 & SB 465	
	522		Sen. Sturgulewski - "
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " - (02.08 - Should be 29.53.025)
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palenquist Incorp. Language SS HCR 45
	791	SB 456	" "
	743	SB 465	" "
	803	SB 465	Sen. Stimson
	840	SB 299	"

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stinson
082	SB 389	Pat Porter - Soldotna (SS SB 45 - Line 16)
138		Ruby Coil
241	SB 465	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	ROSE Palmquist
454	~~SB~~ 431	Larry Kaiell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (for Sen. Bradley)
539	SB 154	
	SB 389	
~~617~~ 619	~~SB~~ 427	Vivian Loveless
659	~~SB~~ 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Sen. Rodey arrived 3 P.M.

3:07 Mtg. Adjourned

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	[illegible]	[illegible]
News releases (local)	[illegible]	1
News releases (outlying media)	The Daily News KTKN KFRD	
Direct mail		
Phone contacts		

Other:

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V - Juneau 99811

Phone: 65-4980

SB

436

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/12/80

Date: 2-19-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 436

grants for solid waste processing or disposal facilities

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

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[X] replace with CS for _____ [X] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Tom Hager

Patrick Regan

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____

CHAIRMAN

S 60 (Rev. 12/78)

TWILA,

The revision can correct typos, but not until after the committee has passed it out. A sponsor substitute is another method but is costly since printing is required. My advice: thank DEC for the careful attention, I have made a note on the file and will look at the next time I get my hands on it

JZ Bobb

See also - suggested questions

SB 436

CONSIDER COMMENTS MADE BY BILL DRAFTER - CS? + amend AMC

AMENDMENT NEEDS TO BE MADE - Page 1, line 28
change (e) to (d)

Suggested questions for SB 436

1. How many municipalities have applied and how many municipalities have accepted responsibility of solid waste disposal facilities?

2. Are second class cities intended also? Or just municipalities?

3. Dept. prepared to deal with questions of appropriate and alternative technology?

4. ~~Draft~~ Solid waste disposal plan - briefly?

Federal mandate? How Long have you been working on it? Deadline or completion date ~~mandate~~?

How many ~~people involved~~ working on this plan?

Apparently they have been working several years on plan - which is still not finalized. (are 4 years past deadline) Assistant planner has been doing work with supervision and constantly pulled for other work.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 11, 1980

TO: SENATOR BOB MULCAHY
VICE-CHAIRMAN
SENATOR TIM KELLY
SENATOR TERRY STIMSON
SENATOR PAT RODEY
SENATOR BILL RAY
All interested parties

FROM: SENATOR ARLISS STURGULEWSKI
CHAIRMAN

SUBJECT: COMMITTEE MEETING - BUTROVICH RM.,#207, Capital Building

TUESDAY, FEBRUARY 12, 1980 - 1:30 p.m.

SB 259 - AN ACT RELATING TO HISTORICAL DISTRICTS

SB 342 - AN ACT PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AMOUNT OF $25,520,000 FOR THE PURPOSE OF PAYING THE COST OF CAPITAL IMPROVEMENTS FOR WATER AND SEWER SYSTEMS: AND PROVIDING FOR AN EFFECTIVE DATE

DISCUSSION - Increase in state participation, municipal sewer/water facilities.
Additional state participation in solid waste/resource recovery systems.

SB 436

Committee Log Book - 1979

Tape Number IX

Senate C/RA - Chairman Sturgulewski Side Number (1) & (2)

Committee

Dates 2-19-80 to —

Mbrs. Present: Sen. Kelly, Rodey, Stimson

Absent: " Mulcahy

Bill Numbers Discussed

SB 16									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 2-19-80	000	SB 16	Start - Chmn Sturgulewski gave summary
	100		Marilyn Mills, AML - Urge Full Funding / Rec. Staying
	154		Sen. Stimson Question - Full Funding & 3% Rec. Use
	196		Sen Kelly - Endorses HB 192
	218		Sen Rodey
	289		Palmer McCarter - Dept C/RA
	335		Sen Stimson - Rd mile Estimate Cost
	364		Sen. Kelly - Hold Hearing bill recd. until Corps reviewed
	390		" Rodey - concussed
	384	CS SB 436	Sen Sturgulewski - Summary
	467		Sen Kelly - "Do Pass"
			Senators Rodey & Sturgulewski Concussed
	470	SB(CS) 131	Sen Sturgulewski - Summary
	564		Keith Kelton Dept. Environ Conservation re Committee intent "Construction"
	593		Sen. Kelly - Pipe distribution purposes
	620		Sen Sturgulewski - will request a legal opinion & forward to Finance

(over)

Keith Kelton (cont'd)

629 _____ Sen. Rodey - Basically rural program?

660 "CS" SB131 CAN Opp: Kodiak & Lovough

684 Kelly move "Do Pass with individual recommendation"
Rodey, Stimson "Do Pass"

697-SB408 Jeff Haynes - Dept. Nat. Resources

841 Sen. Kerttula

Side (2) 200 Palmer McCarter - Dept. C/RA

229 Jeff Haynes - Dept. N. R.
Sen. Stimson)

289

350 Mtg. adjourned. (Agreement to hold bill for further input from DNR)

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA Mtg.

~~DATE - Subject Matter~~

2-19-80

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
SP 6	Marilyn Miller	OK Farm Bureau
SB 408	Frank Rue	Dept Nat. Res.
SB 121 SB 436	Keith Taylor	D
SP 405	JEFF HAWKINS	DNR Pouch M

Committee Log Book - 1980

Senate C/RA

Committee

Tape Number IV

Side Number (1) & (2)

Dates 2-14-80 to —

Mbs. Present: Chairman Sturgulewski
Senators Kelly & Stimson

" Absent: Senators Rodey & Kelly

Bill Numbers Discussed

SB	SR (CS)	Lec. Electronic Mtg.						
436	131	SB 348-354						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:20 2-14-80	074	SB 436	Commissioner Mueller / Dept. Environmental Conservation
	219 +	" " SB 131	Larry Wieland / AML
	392.		Dave Wahl.
	635		Keith Kelton - Dept. Environmental Conservation
	641	—	End
	676	SB 436 Reg.	Peter Pett Dept. Labor - Census Lines
	835		Marie Greenhouse Deputy Commissioner / Dept. CDA
Side (2)	841		Mitch Sowl - Anchorage Municipality
	020	SB 349	Larry Wieland / AML
	200		Senator Kelly - Commissioner & Chair- CS - then Make a bill Senate Inc. Cty.
			Com. Document & introduced new
			Add'l Bill Commission Bill & SB-348

Sen. C/RA 149.

1:30PM. PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

2-14-80

TAPE SB 348

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
JOHN E. POST	P.O. Box 1149 Juneau	Alaska Dept of Labor Chief of Research
Qiang Chichwood	204 N Franklin St Juneau AK 99801	Ak Municipal League
DAVE WALSH	510 L ST Suite 207 ANCHORAGE, AK 99501	AK MUNI LEAGUE ANCHORAGE
E.W. Mivelle	POUCH O	DEC

Committee Substitute for Senate Bill 131 presently reflects:

1. Title and body contents of SB 342

2. $10 million G.O. Bond increase - covering solid waste facilities, plus new wording when relating to same.

3. $ 6 million G.O. Bond increase - raising State share from 50% to 75%

Committee Substitute for Senate Bill 436 presently reflects:

1. Page 1, line 10, section 1 - new wording (per Dept. Environmental Conservation request) to incorporate the raising of the State share from 50% to 75%

2. Amending typewriter error, page 1, line 28 to read (d) instead of (e)

3. Page 2, Line 21, Section 5 - adding a new paragraph stating "solid waste" definition as stated in HB 353, (per D.E.C. request and in answer to Mr. Baldwin's concern, our bill drafter.)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 7, 1980

SUBJECT: Grants for solid waste disposal and processing facilities (Work Order No. 7932)

TO: Senator Arliss Sturgulewski

FROM: James L. Baldwin
Legislative Counsel

SB436

You will find enclosed the bill you requested concerning grants for solid waste processing or disposal facilities. The draft submitted for my review was very well done but there are some points that need further review:

(1) The bill in section 5 adds some new definitions which are applicable to AS 46.03 but the terms "solid waste disposal facility" and "solid waste processing facility" seem partially included in the definitions of the term "treatment works" found in AS 46.03.900(21). This multiplicity of definitions may be warranted or it may cause confusion for the Department of Environmental Conservation when it seeks to exercise jurisdiction over a solid waste disposal or processing facility under any provision of AS 46.03; and

See Commissioner Mueller, DEC + ignore

(2) This bill, and AS 46.03 do not contain a definition of the term "solid waste." This term is already used in AS 46.03 without definition and I am worried that the absence of a definition may leave open the question of which type of waste facility qualifies for a grant under AS 46.03 since that chapter also contains definitions for "sewerage", "other waste" and mentions, but does not define, the term "industrial waste".

See Attached Definition Insert as part of "CS" SB436

Perhaps these points should be discussed with the municipalities concerned and the Department of Environmental Conservation before this bill is introduced.

JLB:jm

Enclosure

ment works, and treatment works serving as a public utility under AS 42.05.701(2)(C);

(22) "radiation" means all atomic and electronic product radiation;

(23) "radiation source" means any substance, machine, or electronic product which emits radiation;

(24) "schedule of compliance" means a schedule of remedial measures including an enforceable sequence of actions or operations leading to compliance with an effluent limitation, other limitation, prohibition, or standard;

(25) "sewage" means the water-carried human or animal wastes from residences, buildings, industrial establishments, or other places, together with ground water infiltration and surface water as may be present; the admixture with sewage of industrial wastes or other wastes is "sewage";

(26) "sewer system" or "sewerage system" means pipelines or conduits, pumping stations, and force mains, and all other appurtenant constructions, devices, and appliances used for conducting wastewater to a point of ultimate disposal;

(27) "solid waste" means all unwanted, abandoned, or discarded solid or semi-solid material whether putrescible or non putrescible, originating from any source, including but not limited to garbage, paper, wood, metal, glass, plastic, rubber, cloth, ashes, litter and street sweepings, dewatered sewage sludge, dead animals, offal, junked vehicles and equipment, material and debris resulting from construction or demolition projects or logging operations, abandoned and decaying structures, hazardous wastes, mine wastes, gravel pit, quarry and dredge spoils, and overburden except that originating from the construction of single buildings;

(28) "treatment works" means a plant, disposal field, lagoon, pumping station, constructed drainage ditch or surface water intercepting ditch, incinerator or other works installed or used for the purpose of treating, neutralizing, stabilizing or disposing of wastewater;

(29) "wastewater" means sewage, waterborne industrial waste, laundry liquid effluent, shower or sink water, or other wastes which are waterborne or in a liquid state;

(30) "water quality standard" means the measure of purity or quality of water, the maintenance of which is necessary to assure the water's integrity for its reasonable and appropriate use as established by the department;

(31) "water" includes lakes, bays, sounds, ponds, impounding reservoirs, springs, wells, rivers, streams, creeks, estuaries, marshes, inlets, straits, passages, canals, the Pacific Ocean, Gulf of Alaska, Bering Sea and Arctic Ocean, in the territorial limits of the state, and all other bodies of surface or underground water, natural or artificial, public or private, inland or coastal, fresh or salt, which are wholly or partially in or bordering the state or under the jurisdiction of the state; the term includes all water subject to federal jurisdiction under the Clean Water Act.

* Sec. 18. AS 46.03.180 is repealed.

* Sec. 19. The amendment of AS 46.03.850(f), in sec. 15 of this Act, has the effect of changing Rule 45(a)(2), Rules of Appellate Procedure, by requiring appeals from administrative decisions made under AS 46.03.850(e) to be brought within 10 days rather than the 30 days allowed by Rule 45(a)(2).

* Sec. 20. Sections 1, 4, 5, 6, 7, 8, 9, 11, 16, 17, and 18 of this Act take effect upon approval of the state's National Pollutant Discharge Elimination System program by the administrator of the United States Environ-

POSITION PAPER

ON SENATE BILL 436

by

ERNST W. MUELLER

COMMISSIONER OF ENVIRONMENTAL CONSERVATION

before the

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

February 14, 1980

6 to 8 million in additional bonds - 1/3 addl share for these State/local projects.

The Department of Environmental Conservation wishes to go on record supporting S.B. 436, which amends AS 46.03.030 to include grant funding for solid waste facilities. It is estimated that an additional $10 million will be required in S.B. 131 should this amendment be adopted. It is my understanding that S.B. 131 has been amended to handle this increased grant burden. The Department endorses the concept of adding solid waste facilities to our grants program if adequate funding is provided. The attached fiscal note, while written for what is now designated S.B. 131, would apply to S.B. 436 as well. This note requests $82,700 to cover the costs for an engineering position and an administrative assistant to handle the increased grants load.

Planned Solve problems
D. wanted not report areas where funds have
projects - Fed report so they should use
database

Since the effective date of S.B. 436 is July 1, 1980, and bonds authorized by voter approval of S.B. 131 would not be available until the end of 1980, an appropriation will be necessary if any solid waste facilities are to be started this year. It is estimated that an appropriation of $2.5 to $3.0 million would be adequate.

As written, S.B. 436 provides for 50 percent State funding for the eligible costs of water, sewerage and solid waste facilities. In the case of solid waste facilities, provision has been made to increase the grant to 60 percent if the facility were to incorporate some form of resource recovery. Contact with the Alaska Municipal League indicates that the League is supporting an amendment to increase State grant participation from 50 to 75 percent for water and sewerage projects not receiving federal grant assistance. The Department does not strongly object to this increase, but we do wish to point out some items the Committee should be aware of in making a decision on the proposed amendment.

1) Our experience with EPA projects which receive a total state/federal grant of 87.5 percent shows that a much higher state involvement is required to administer those projects. This is partially due to increased federal regulations but also from decreased participation by the grantee when local contributions are reduced to a small fraction of

the total cost. If this amendment were to be adopted, it is expected that the Department's involvement would need to be increased to protect the State's investment. It is estimated that additional staff would be required. We would prefer to retain our present level of involvement and staff size.

2) With State grants of 75 percent available there may be a marked decrease in the interest of communities to seek federal matching funds for projects - particularly when they are accompanied by voluminous regulations and requirements. The supplanting of federal funds with State dollars will result in an undermined increase in the need for State bond funds. The EPA grants to Alaska for sewerage projects currently average $18 to $20 million per year. This would be a large deficit to make up with State funds.

3) It is suggested that should the Committee choose to amend S.B. 436, increasing State grants to 75 percent, an upset limit be included. It is suggested that the total of State/federal project participation not exceed 87.5 percent (the present limit on EPA financed projects). The following wording is

suggested to amend Section 1 of S.B. 436 should the Committee desire to amend the State percentage of contribution:

Section 1. AS 46.03.030 (b) is amended to read:

(b) The department may grant to a municipality, as funds are available, up to [THE LESSER OF 50] 75 percent of [THE] eligible costs [COST OR 50 PERCENT OF THE ELIGIBLE COST] not financed by the federal government, for public water supply, treatment and distribution systems and public sewage collection, treatment and discharge facilities for which construction has not commenced on or before [JUNE 21, 1976] July 1, 1980. However, for no project for which there is Federal participation shall the State grant exceed an amount which will result in the total of State and federal grant funding exceeding 87.5 percent. The eligible cost of a project or portions of a project will be as determined by the federal agency granting the most monetary assistance. On projects or portions of projects, for which federal participation is not available, eligible costs will be determined by the department in accordance with (d) of this section.

It is anticipated that the immediate effect of the change to .75 percent funding would be an additional $6.0 to $8.0 million for the two-year period requested in S.B. 131.

Thank you for this opportunity to provide comments on S.B. 436. I would be glad to provide any further information you may need.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 436

Title An Act relating to grants for solid waste processing or disposal facilities; etc.

Requested by Kerttula Date February 12, 1980

II. FISCAL DETAIL

Agency Affected Department of Environmental Conservation

Program Category Affected Facility Construction and Operation Section

BRU, Program, or Subprogram(s) Affected Environmental Quality Operations

(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)

Assumes annual inflation of 8%

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	66.7	72.0	77.8	84.0	90.7	97.6
200	TRAVEL	8.0	8.6	9.3	10.1	10.9	11.8
300	CONTRACTUAL	4.5	4.9	5.2	5.7	6.1	6.6
400	COMMODITIES	1.0	1.1	1.2	1.3	1.4	1.5
500	EQUIPMENT	2.5	0.0	0.0	0.0	0.0	0.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	82.7	86.6	93.5	101.1	109.1	117.5

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	82.7	86.6	93.5	101.1	109.1	117.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	2.0	2.0	2.0	2.0	2.0	2.0
PART TIME						
TEMPORARY						

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

If S.B. 436 is adopted, authorizing the award of solid waste construction grants, it will be necessary to amend S.B. 131 to add an additional $10.0 million to cover the increased grants burden. Also an additional $2.5 to $3.0 million appropriation will be needed to cover the award of grants from the July 1, 1980 effective date through the time when bond funds are approved for use. Should S.B. 436 be amended further to increase the grant percentage to 75% this fiscal note will need to be amended.

IV. DATE February 14, 1980 PREPARED BY Keith Felton

AGENCY Alaska Department of Environmental Conservation

PHONE 465-2610

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

33-601 (Rev. 12/79)

Bill became SB 436 Draft - Given by AML Ginny Chitwood As done by Lovett & DEC To be introduced as Senate Bill

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

DRAFT AMENDMENTS TO AS 46.03.030: GRANTS AND LOANS FOR WATER SUPPLY AND SEWERAGE SYSTEMS

The title of AS 46.03.030 is amended to read:

"Sec. 46.03.030. Grants [and loans] for water supply, [and] sewerage and solid waste facilities [systems].

AS 46.03.030(b) is amended to read:

(b) The department may grant to a municipality, as funds are available, up to [the lesser of] 50 per cent of [the] eligible costs [or 50 per cent of the eligible cost] not financed by the federal government, for public water supply, treatment and distribution systems and public sewage collection, treatment and discharge facilities for which construction has not commenced on or before June 21, 1976. The eligible cost of a project or portions of a project will be as determined by the federal agency granting the most monetary assistance. On projects or portions of projects, for which federal participation is not available, eligible costs will be determined by the department in accordance with (e) [(d)] of this section. Projects shall be constructed in accordance with plans and specifications approved by the department.

AS 46.03.030(c) is amended to read:

(c) There is a water supply, [and] sewerage and solid waste facilities [systems] fund created in the department to carry out the purposes of this section.

AS 46.02020(d) is deleted and replaced with a new subsection to read:

"(d) The department may grant to a municipality as funds are available, up to 50 percent of eligible costs not funded by the federal government for solid waste processing or disposal facilities, or portions of such facilities, for which construction has not commenced on or before July 1, 1980; except that grants up to 60 percent of eligible costs not funded by the federal government may be awarded for those portions of solid waste processing or disposal facilities which provide for resource recovery. The eligible cost of a solid waste processing or disposal facility will be as determined by the federal agency granting the most monetary assistance. On facilities or portions of a facility for which federal participation is not available, eligible costs will be determined by the department in accordance with (e) of this section. Projects shall be constructed in accordance with plans and specifications approved by the department.

AS 46.03.030 is amended by adding a new subsection to read:

(e) The department shall, by regulation, identify those costs which will be considered eligible costs for the purposes of this section. Eligible costs shall include those contracted costs necessary for construction of a project, but do not include costs of interest and financing, right-of-way acquisistion costs, and costs related to operation, maintenance, repair or replacement of a project.

AS 46.03.900 is amended by adding the following new definitions to read:

) "Resource recovery" means the recovery of materials or energy from solid wastes to be used in manufacturing, agriculture, heat production, power production, or other productive processes or purposes; includes the reuse of materials or products to conserve natural resources.

) "Solid waste disposal facility" means any facility for which the primary purpose is to discharge, deposit, inject, consolidate, or place solid wastes into or onto the land; including but not limited to transfer stations and sanitary landfills.

) "Solid waste processing facility" means any facility for the purpose of extracting materials, volume reduction, conversion to energy, or other separation and preparation of solid waste for reuse or disposal of solid wastes; including but not limited to incinerators, shredders, balers, and transfer stations.

Effective date: July 1, 1980

FISCAL NOTE

To be included in the bill:

"There is appropriated the sum of _____ to fund grants for solid waste processing or disposal facilities."

Resources needed for the Department to process grant applications relative to solid waste processing and disposal facilities:

Personal Services		66.7
Administrative Assistant (R-12 @ $1628/mo x 12 x 1.26)	24.6	
Environmental Engineer III (R-19 @ $2652/mo x 12 x 1.26)	40.1	
Travel		8.0
Contractual		4.5
Commodities		1.0
Equipment		2.5
TOTAL		82.7

SB

446

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/18/80

Date: 3-11-80

Mr. President:

The Committee on C&RA has had SB 446

making a special appropriation to the Dept. of Community & Regional Affairs for construction of a ski jump

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Terry Stimson

Tom Kerr

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

SENATE AMENDMENT

By SENATE C/RA COMMITTEE

To: _____ SENATE BILL No. 446

To: _____ HOUSE BILL No. _____

PAGE:	LINE:	
1	12 and 13 ---	delete 60-meter delete at Campbell Point

Committee Log Book - 1980

Tape Number XV

SENATE C/RA
Committee

Side Number 1

Dates 3/11/80 to --

PRESENT: Chairman Sturgulewski
Senators Mulcahy, Kelly, Rodey, Stimson

Bill Numbers Discussed

SB 446	SB 453								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/11/80 1:30 p.	005	SB 446	Chairman Sturgulewski, summary
	040		Senator Kerttula, bill sponsor
	137		Sen. Sturgulewski
	198		Mitch Gravo, Anchorage Municipality Repre.
	237		Sen. Rodey
	248		Sen. Kerttula
	262		Sen. Sturgulewski
	293		Palmer McCarter, Dept. C/RA
	348		Sen. Sturgulewski
	398		Hilton Wolfe, Dept. N/R., Div. of Parks
	481		Sen. Sturgulewski - Grant Processing
	493		Sen. Kelly to Sen. Sturgulewski
	514		Mitch Gravo
	528		Sen. Rodey moved to adopt amendment:
			Delete 60 - meter (Line 12
			Delete Campbell Point (Line 13 = No objections
	539		Sen. Rodey moved to pass with indiv. rec.
			No Objections - and SB 446, am passed.
	566	SB 453	Sen. Sturgulewski
	575		Sen. Fahrenkamp, sponsor
	630		Palmer McCarter, Dept. C/RA

Over

648	Sen. Rodey moved to Pass "CS" with individual rec. There was no objections so CSSB 648 passed.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Jalmar Kerttula
Senator Mike Colletta
Senator Bettye Fahrenkamp
Senator Brad Bradley
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Butrovich Room 207, Capitol Building

Tuesday, March 11, 1980 - 1:30 p.m.

SB 446 - An Act making a special appropriation to the Department of Community and Regional Affairs for construction of a ski jump; and providing for an effective date.

SB 453 - An Act making a special appropriation to the Fairbanks North Star Borough for the development of a park strip along the Chena River in downtown Fairbanks; and providing for an effective date.

Thursday, March 13, 1980

No Meeting set at this time

Tuesday, March 18, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention.

SB 450 - An Act making an appropriation to the Legislative Council for a study of local options for control of the Fairbanks International Airport; and providing for an effective date.

SB 446 (Kerttula, Colletta, Kelly, Sturgulewski)

Summary - This bill gives $350,000 to the Anchorage Municipality to build a 60 meter ski jump, to be used for intermediate ski jump training and Nordic skiing.

Future goals include training for Olympic events with an eye to eventually hosting Olympic events--as well as national and international events.

Only one other jump hill exists in Alaska at the present time. It is twenty-five meters and situated at the Alaska Pacific University. This jump is out-dated for present use demands.

Alaska has had no competitors in the past. We have done well in racing events, but have never placed in jumping events.

Apparently $25,000 was given to the University of Alaska to study ski jump sites in the Anchorage area during the last session of the Legislature. The University, working in conjunction with Mr. Tobben Spurkland of the Nordic Ski Club in Anchorage and the U.S. Ski Assoc., Alaska Division, investigated 17 sites. Three final sites were selected:

Campbell Point (60 meter)
Campbell Track - Site A (60/65 meter)
Kincaid Park (45 meter)

The concept meets with much public support. Contacts with the Anchorage Municipality also agree to the concept, as well as to the administration thereof, including operating, maintenance and insurance costs., etc.

Calls of support have been received from Mr. Spurkland, Mr. Cress of the University of Alaska, and Mr. Dave Klatt.

- -

Mr. Spurkland called Monday, March 10, and requested that the Committee consider deleting "Campbell Point" from the bill and leaving the area open. Campbell Point apparently sits on federal land and there might be some problem of obtaining military access. He felt the total dollar figure could remain as is. In this event, construction could begin on one of the other above-mentioned sites.

Apparently no formal contacts or work has been done with the Anchorage Municipality. The total figure requested in this bill has not been investigated by the Municipality--and they received a copy of the plan only a week ago. This has not been brought before the Assembly. Yet, word received from the Mayor's office, and other agencies within the Borough, was that although the concept meets approval, there might be some question on the total dollar figure--is it enough? There has been apparently no coordination with the Municipality, yet they will be the ones to administer.

Mr. Spurkland did comment that although they want the project to go forward, one thought might be to have construction done privately--and, for instance, have the money go to the Nordic Club--it was felt this would save many administrative dollars that the Municipality would use.

Karl Eid
S.R.A. Box 249 W
Anchorage. ak. 99507

To Senator J. Kerttula.

JAN 25 1980

Dear Jay -

Enclosed are some pamphlets which Tobben Spurkland our project Engineer just had printed. The exact facts and figures which I know you were so anxious for, are not yet completed. However Mr. Spurkland has enclosed a letter with calculations he has so far and we hope these will be of benefit to you in your request for our project.

Also enclosed is a letter from Jim Page which we feel tells the story pretty well.

We surely do hope that the pamphlets and the two letters will help you in some way to present our cause in the Legislature. Mr Spurkland will have further calculations on March 1.

We Thank you for all your help and wish you a successful session

Best Wishes.

Sincerely

Karl Eid

Tobben Spurkland P.E.

8155 Cranberry St.
Anchorage, Alaska 99502
Phone (907) 243-5302

SKI - 79cad

PROGRESS REPORT JAN.18, 1980

From Tobben Spurkland

As of January 18, 1980,12 locations have been identified as possible sites for skijumps in the 40 to 70 meter range.

The sites are enumerated below without any order of presedence.

Campbell Point	~~60~~ meter
Arctic Valley Road	60 meter
Hillside, 3 sites	25-45 meter
Kinkaid Park 3 sites	25-45 meter
Alyeska	
Edmond Lake Park	25 meter
Fossil Creek	45 meter
Campbell Creek Gorge	45 meter

60 meter

do 350 M.

No site specific costestimates have been prepared as of this time except the very preliminary estimate for a complex at Campbell Point, which would be the least expengive to develope, because of the gravelpit operation at that location. A constructionbudgett of $300,000 was arrived at for this site. With contingencies and administration a more realistic cost would be $ 500,000.

If a 45 meter hill was to be constructed at any location in the Anchorage Bowl a minimum budgett would be as follows:

Earthwork	$ 85,000
Inrun Tower	$ 60,000
Admin. and design	$ 50,000
Total	$195,000

With preliminary design and actual quantitis for a site specific complex I expect to be able to furnish more reliable figures by the end of February.

Yours

Tobben Spurkland

Tobben Spurkland P.E.

[illegible]

[illegible]

[illegible] S. Casey
[illegible] Bob, Bear Drive
Anchorage, AK 99507

Dear Regan:

Thank you for your letter and the information on your proposal for a ski jumping complex in Anchorage. It looks to be extremely well thought out and appropriate for your needs.

The U. S. Ski Team is, of course, very pleased that you seem to be making progress toward the construction of these facilities. Anchorage would be an ideal site for many national and international championships. You have outstanding cross-country facilities and a very capable and active nordic club which has proven its ability to host well organized and well run nordic events. The addition of the proposed ski jump would enable you to have such prestigious tournaments as the Junior National Championships in Nordic skiing, the Junior Olympic Nordic Championships, the NCAA Championships, and the World Junior Championships. As your club has demonstrated such an outstanding ability to run high quality meets we would hope to have such events under your direction. It would reflect well on the entire nordic program in the United States and bring considerable prestige to your club and to Anchorage.

The construction of these facilities would also enable you to have better development [illegible] and I am sure, to have more of your skiers on national and international teams. At the present time Alaska has a few cross-country skiers skiing at the [illegible] level. Your program for women seems to be particularly strong and [illegible], Lynn Spencer, and Judy Kabinowitz will obviously represent Alaska well [illegible] in the skiing world. A good jumping and nordic combined program [illegible] enlarge this group. It has been proven over and over again that [illegible] as nordic combined athletes have greater capability to reach [illegible] jumping later on. We would also enjoy having [illegible] nordic combined skiers.

Hopefully you will be able to select a good site and complete a 60 meter jumping hill [illegible] has an artificial plastic surface for summer jumping. As you know, there is only one other hill in the United States right now that has summer jumping capability. It is pretty old fashioned and has limited usefulness for our Team. We are faced with the necessity right now of taking our jumpers to Europe several times each year as this is the only place they can get the needed summer jump training. If you were able to complete a modern facility with a plastic surface I am sure the U.S. Jumping Team would make full use of it for their training. I think it would be good for your club to have the top jumpers in the country around both as an example to your [illegible] kids and a source of current information on ski jumping technique and training for your coaches.

[illegible]

We would like to be of any assistance to you that we can in your efforts to win approval for your project. You can be sure that the U. S. Ski Team is 100% behind your plans which when completed will add a much needed dimension to the entire ski program in this nation.

Sincerely yours,

Jim Page
Assistant Nordic Director

JP/lg

SKI JUMP

Jim Burkholder
4824 E 20th
Anchorage, AK 99504
333-0889

Jim Page (U.S. Ski Team)
Box 100
Park City, Utah 84060

Peter Ashley (U.S.S.T. Development Coach)
Box 468
Jackson, Wyoming 83001

Paul Crews
2300 Telequana Drive
Anchorage, AK 99503

Tobben Spurkland
8155 Cranberry
Anchorage, AK 99502

Sam Cotten
Box 296
Eagle River, AK 99577

Joan Goodman
8426 E Duben
Anchorage, AK 99504
(Nordic Ski Club of Anchorage Inc)

Margaret Hankins
24-343 B Lilac Ct
Anchorage, AK 99506

Paul Klatt
St. Rt. A, Box 171
Anchorage, AK 99502

Wes Landes
P.O. Box 6107
Anchorage, AK 99502

John R. Cress-8541 Greenhill Way
Anchorage, AK 99502

Paul Meyerhoff II
P.O. Box 264
Girdwood, AK 99587

Karl Eid 344-1957
St. Rt. A, Box 249 W
Anchorage, AK 99507

Lee Piccard
3323 Peace Court
Anchorage, AK 99504
Home: 337-4185 and Office: 263-1588

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

#

02021 POM ANCHORAGE ALASKA 15 03-11 646A AST

PMS SENATOR ARLISS STURGULEWSKI

JUNEAU AK

STRONGLY SUPPORT SENATOR KERTTULA SB446 CONCERNING

THE SKI JUMP AND STRONGLY URGE PASSAGE OF BILL

KARL AND ANN EID SRA BOX 249W

ANCHORAGE AK 99507

1980 MAR 11 AM 10 08

MEMORANDUM State of Alaska

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS

TO: Tom Bergstrom, Director
Division of Administration
and Management

DATE: January 15, 1980
FILE NO:
TELEPHONE NO:

FROM: Hilton Wolfe HW
Staff Assistant

SUBJECT: Status of FY80 "Community Grants" (80SLA1979)

The following summarizes activity relating to the recreational appropriations made to communities through DNR in Chapter 80, SLA 1979:

(1) Grants in Active Status:

(a) 20 Anchorage grants for a total of $4.4 million
(b) 1 Juneau grant for $75 thousand
(c) 1 Sutton: Community Building - RSA with DOT/PF for 10.0

(2) Grants in Preparation:

(a) 1 Fairbanks grant of $220 thousand for recreation site purchases. The desired land acquisition has already been accomplished and the North Star Borough has asked if the appropriation may now be used for development on those acquired sites.

(3) No Response to Letter of Solicitation (11/16/79):

(a)	Bethel: Kisaralik Shelter House	10.0
(b)	Kwethluk: Bike/Foot Trail Grant	20.0
(c)	Tanana: St. James Mission Rehabilitation	50.0

(4) Letter of Solicitation Not Yet Sent:

(a)	Gateway R.E.A.A. grant to Tok, Dot Lake, Mentasta Lake, Eagle, and Northway	77.2

(5) Uncertain Status:

(a) Fairbanks/Division of Parks: Chena Campground Upgrade - $400 thousand.

Recommended action:

(1) In order for Fairbanks to proceed with its application, we need a ruling as to whether the appropriation may be used for development rather than acquisition. I can ask Steve Smith, or Rod Pegues, for an opinion. If the opinion is favorable, Fairbanks can be notified to proceed; if unfavorable, the Fairbanks delegation can be advised that amending action would be appropriate this session.

(2) Certified letters of solicitation should be sent to the three communities which have not responded. I could draft for Chip's or your signature.

(3) Letters of solicitation should be sent to the villages under the R.E.A.A. grant after I do some more research. I could draft for Chip's or your signature.

(4) There appears to be some difference of opinion regarding whether Parks or the Borough is supposed to use the $400 thousand for the Chena Upgrade project. Chip is working directly on this issue.

cc: Chip Dennerlein
Kay Torzy

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
NATURAL RESOURCE MANAGEMENT (CONT.)				
DEPARTMENT OF NATURAL RESOURCES				
PARKS & RECREATION				
LAND & WATER CONSERVATION FUND		2,800,000		2,800,000
NATIONAL HISTORIC PRESERVATION FUND		850,000		850,000
NORTHERN PANHANDLE MARINE FACILITIES (ED 4)		50,000	50,000	
CHENA CAMPGROUND UPGRADE - FAIRBANKS (ED 20)		400,000	400,000	
+ KWETHLUK BIKE/FOOT TRAIL GRANT (ED 17)		20,000	20,000 —	
+ KISARALIK SHELTER HOUSE - BETHEL (ED 17)		10,000	10,000 —	
BIKE TRAILS GRANT - ANCHORAGE (ED 7)		220,000	220,000 —	
FISH CREEK PARK IMPROVEMENTS GRANT - ANCHORAGE (ED 7)		50,000	50,000 —	
PIONEER SCHOOLHOUSE GRANT - ANCHORAGE (ED 7)		150,000	150,000 —	
FAIRVIEW CENTER GROUNDS UPGRADE - ANCHORAGE (ED 7)		60,000	60,000 —	
VALLEY OF THE MOON PARK GRANT - ANCHORAGE (ED 7)		20,000	20,000 —	
TREE PLANTING PROGRAM GRANT - ANCHORAGE (ED 7)		70,000	70,000 —	
WESTCHESTER LAGOON PICNIC AREA - ANCHORAGE (ED 7)		100,000	100,000 —	
FISH & CAMPBELL CREEKS CLEAN-UP - ANCHORAGE (ED 7)		100,000	100,000 —	
TOTEM BIGHT PAMPHLET - KETCHIKAN (ED 1)		5,000	5,000	
RESTROOM FACILITIES - MULCAHY PARK - ANCHORAGE (ED 7)		390,000	390,000 —	
DELONG LAKE PARK ACQUISITION - ANCHORAGE (ED 7)		200,000	200,000 —	
SAND LAKE AREA ACQUISITION - ANCHORAGE (ED 7)		100,000	100,000 —	
+ PURCHASE OF RECREATION SITES - FAIRBANKS (ED 7)		220,000	220,000 —	
FRONTIERLAND PARK GRANT - ANCHORAGE (ED 7)		25,000	25,000 —	
FAIRVIEW RECREATION FACILITY (ED 7)		2,000,000	2,000,000 —	
ADAIR-KENNEDY ATHLETIC PARK GRANT-JUNEAU (ED 4)		75,000	75,000 —	
COMMUNITY BUILDING SUTTON (ED 6)		10,000	10,000 —	
THE $10,000 APPROPRIATION IS A DIRECT GRANT TO THE COMMUNITY OF SUTTON.				
OBERG FIELD UPGRADING-ANCHORAGE (ED 7)		57,000	57,000 —	
THE $57,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.				
NUNAKA VALLEY PARK DEVELOPMENT (ED 7)		70,000	70,000 —	
THE $70,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.				

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES GENERAL FUND	OTHER FUNDS
NATURAL RESOURCE MANAGEMENT (CONT.)				
LODGE FEASIBILITY STUDY DENALI STATE PARK (ED 6)		105,000	105,000	
GOVERNMENT HILL CENTER-ANCHORAGE (ED 7)		300,000	300,000 —	
THE $300,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.				
RECREATIONAL FACILITIES MODIFICATION-ANCHORAGE (ED 7)		50,000	50,000 —	
THE APPROPRIATION OF $50,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONVERSION OF RECREATION FACILITIES FOR USE BY THE HANDICAPPED.				
MOUNTAIN VIEW BIKE TRAIL-ANCHORAGE (ED 7)		90,000	90,000 —	
THE APPROPRIATION OF $90,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONSTRUCTION OF A BIKE TRAIL FROM MOUNTAIN VIEW TO DOWNTOWN ANCHORAGE.				
BIKE TRAIL-ANCHORAGE (ED 7)		170,000	170,000 —	
THE APPROPRIATION OF $170,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONSTRUCTION OF A BIKE TRAIL FROM 68TH STREET TO LAKE OTIS.				
+ SAINT JAMES MISSION REHABILITATION-TANANA (ED 19)		50,000	50,000 —	
THE APPROPRIATION OF $50,000 IS A DIRECT GRANT TO THE COMMUNITY OF TANANA.				
+ GATEWAY R.C.A.A. GRANT-INTERIOR (ED 19)		77,200	77,200 —	
THE APPROPRIATION OF $77,200 IS A DIRECT GRANT TO THE VILLAGES OF TOK, DOT LAKE, MENTASTA LAKE, EAGLE AND NORTWAY.				
HOSTEL DEVELOPMENT-STATEWIDE (ED 7)		19,000	19,000	
ABBOTT ROAD BIKE TRAIL-ANCHORAGE (ED 7)		170,000	170,000 —	
LANDS ADMINISTRATION				
ALASKA LAND AND RESOURCE SYSTEM — JV 79-0242		1,700,000	1,700,000	
STUDY OF TSUNAMIS & LANDSLIDES - KODIAK (ED 6)		439,000	439,000	
THE $439,000 APPROPRIATION IS A DIRECT GRANT TO THE CITY OF KODIAK. JV 80-0006				
WAREHOUSE MOUNTAIN LAND DISPOSAL WORK ROAD (ED 16)		100,000	100,000	
THE APPROPRIATION OF $100,000 IS FOR A WORK-ROAD ALIGNMENT PROJECT FOR THE WAREHOUSE MOUNTAIN LAND DISPOSAL. JV 79-0256				

+ 377.2

77%

— 4,854.2

At any time during normal business hours and as often as the State or an agent of the State considers necessary, the State or an agent of the State shall be permitted to physically inspect the project.

IV. LAND STATUS AND PUBLIC ACCESS. The land and structures acquired with the funds appropriated for this project will be designated for public use upon completion of the project. The facilities constructed with the funds appropriated for this project will be located on publicly owned or controlled lands. Public access will be assured for a period of ten years from the date that notice of completion is filed with the department, after which time it will be automatically extended for successive ten year periods unless a contrary arrangement is agreed to by the department.

V. REQUEST FOR PAYMENT. The Department of Natural Resources is hereby requested to issue a warrant, payable to _____, in the amount of _____, in order to accomplish the work described above.

VI. NOTICE OF COMPPLETION. Immediately upon completion of the work described in Parts I and II above, a sworn affidavit stating that the project was accomplished, as described in this proposal, and setting forth an accurate summary of the expenditures made will be provided to the commissioner of natural resources by the project coordinator.

VII. CERTIFICATION OF AUTHORITY. Done at _____, this _____day of _____, 19_____.

(Signature) _____

(Title) _____

_____

UNITED STATES OF AMERICA)
STATE OF ALASKA) ss.

This certifies that on the _____day of _____, 19_____, before me a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, to me known and known to me to be the person described in and who executed and acknowledged the foregoing instrument on behalf of the _____. The said _____, after being duly sworn according to law, stated to me under oath that he is the _____ for the _____ and that he executed and acknowledged the same freely and voluntarily as the free and voluntary act and deed of the _____.

WITNESS my hand and official seal the day and year in this certificate first above written.

_____
Notary Public in and for the
State of Alaska

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS
619 Warehouse Avenue
Anchorage, Alaska 99501
274-4676

EXHIBIT III

PROPOSAL
of

_____

for a
Parks and Recreation Project
Identified in Section 25, Chapter 80, SLA 1979 (Page 62)
as

_____

I. PROJECT DESCRIPTION SUMMARY.

II. PROJECT WORK PLAN SUMMARY.

III. AUDITS AND INSPECTIONS. At any time during normal business hours and as often as the State or an agent of the State considers necessary, there shall be made available to the State or an agent of the State for examination all records regarding matters covered by this proposal. The State or an agent of the State will be permitted to audit, examine, and make excerpts or transcripts from the records, and will be permitted to audit all contracts, invoices, materials, payrolls, personnel records, conditions of employment, and other data relating to matters covered by this proposal.

(over)

02 ALASKA

HERITAGE FINANCE
PROGRAM YEAR 77

080379

	PROJECT NAME	ALLOCATION	OBLIGATION	CUMULATIVE	(YEAR-TO-DATE)	UN-EXPENDED	ADVANCE	UN-AUD
00100	-69-SURVEY&PLAN		6,308.13	6,308.13				
00200	-70-SURVEY&PLAN		9,156.96	9,156.96				
00300	-71-SURVEY&PLAN		4,534.91	4,534.91				
00500	-71-ALASKATOTEMS -		4,000.00	4,000.00				
01000	-71-TOTEMBRIGHT - Sitka		42,224.91	42,224.91				
01002	-71-ST.MICHAEL'S - Sitka		18,313.92	18,313.92				
01100	-72-SURVEY&PLAN		64,145.00	64,145.00				
01703	-72-STEAMERNENANA - Fbx		1,432.01	1,432.01				
01800	-73-SURVEY&PLAN		49,348.00	49,348.00				
01900	-74-SURVEY&PLAN		57,536.00	57,536.00				
02200	-74-THOMAS-MEM-LIBR - Fbx		11,236.86	11,236.86				
02300	-74-STEAMERNENANA Fbx		9,731.00	9,731.00				
02400	-74-FT.SEWARD Haines		4,000.00	4,000.00				
02500	-75-SURVEY&PLAN		76,711.00	76,711.00				
02600	-75-CH-HOLY-ASCENSI Kenai		3,700.00	3,700.00	1,456.11			
02700	-75-STEAMER-NENANA Fbx		2,912.68	2,912.68				
02900	-75-FT.SEWARD Haines		1,182.33	1,182.33				
03000	-75-S-JACKSON-MUSEU - Sitka		474.30	474.30				
03100	-75-ST-MICHAELS Sitka		25,000.00	25,000.00				
03200	-75-AKNATIVEHALL Sitka		25,000.00	25,000.00				
03300	-75-USCOURTHOUSE Eagle		25,000.00	25,000.00				
03500	-76-SURVEY-&-PLAN		33,316.00	33,316.00	1,195.23			
03700	-76-ERSKINEHOUSE Kodiak		10,080.00	10,080.00				
03800	-76-SOURDOUGH-LODGE - Richardson Hwy		30,000.00	28,500.00		1,500.00	1,500.00	
04000	-76-ST-MICHAELS- — Sitka		10,000.00	7,490.00		2,510.00		
04100	-76-ST-NICHOLAS JNU		37,123.00	37,123.00				
04200	-76-DRY-CREEK-- —		11,822.83	11,822.83				
04300	-76-ST-NICHOLAS - Eklutna		6,109.00	6,109.00				
04400	-76-SURVEY-&-PLAN DOP		20,223.00	20,223.00				
04404	-76-KETCHIKAN-TOTEM DOP							
04500	-77-SURVEY-&-PLAN DOP		117,819.00	117,819.00				
04600	-77-SOURDOUGH-LODGE - Richardson Hwy		15,[illegible]00.00	14,250.00	11,828.36	750.00	750.00	
05500	-77-ST-NICHOLAS —		25,000.00	24,553.90		446.10		
08D37	-79-FT-WM-SEWARD - Haines		60,000.00			60,000.00		
ALASKA		818,440.84	818,440.84	753,234.74	14,479.70	65,206.10	2,250.00	

	SURVEY & PLANNING COUNT	SURVEY & PLANNING OBLIG.	ACQUIS. & DEVEL. COUNT	ACQUIS. & DEVEL. OBLIG.	TOTAL COUNT	TOTAL OBLIG.
ACTIVE			5	140,000.00	5	140,000.00
COMPLETE	10	439,098.00	19	239,342.84	29	678,440.84
TOTAL	10	439,098.00	24	379,342.84	34	818,440.84

EXHIBIT B

HERITAGE FINANCE
PROGRAM YEAR 78

080379

02 ALASKA

	PROJECT NAME	ALLOCATION	OBLIGATION	CUMULATIVE	(YEAR-TO-DATE)	UN-EXPENDED	ADVANCE	UN-ALLO
02900	-75-FORT-SEWARD - Haines		2,817.67	2,817.67				
04404	-76-KETCHIKAN-TOTEMS - KTY		12,771.00			12,771.00		
08A33	-78-SKAGWAY-CITY-HAL - Skagway		11,500.00			11,500.00		
08A61	-78-WHITE-HOUSE		23,000.00			23,000.00		
08C40	-79-STERNWHEELER-NEN - Fox		47,500.00			47,500.00		
08C77	-79-FORT-ABERCROMBIE - Dop		37,500.00			37,500.00		
08D40	-79-RIKAS-LANDING - Dop		25,000.00			25,000.00		
08110	-78-U-S-CTHSE-&JAI - Eagle		5,000.00			5,000.00		
08118	-78-OLD-ST-NICHOLAS - Ekluina		2,500.00			2,500.00		
08248	-78-ST.-NICHOLAS-RUS - Juno		9,000.00			9,000.00		
08279	-78-IMMACULATE-CONSE		38,000.00	31,772.22	31,772.22	6,227.78		
08328	-78-ST.-MICHAELS-CAT - Sitka		12,500.00	5,548.47	5,548.47	6,951.53	2,558.74	
08375	-78-VIRGIN-MARY-ORTH		12,500.00			12,500.00		
08544	-78-SURVEY-AND-PLANN - Dop		251,904.00	168,671.53	53,394.37	83,232.47	23,248.94	
08554								
08592	-78-ERSKINEHOUSE		25,330.00			25,330.00		
ALASKA		520,000.00	516,822.67	208,809.89	90,715.06	308,012.78	25,807.68	3,17

	SURVEY & PLANNING		ACQUIS. & DEVEL.		TOTAL	
	COUNT	OBLIG.	COUNT	OBLIG.	COUNT	OBLIG.
ACTIVE	1	251,904.00	13	262,101.00	14	514,005.00
COMPLETE			2	2,817.67	2	2,817.67
TOTAL	1	251,904.00	15	264,918.67	16	516,822.67

Division of Parks
080379
AUG 10 1979

HERITAGE FINANCE
PROGRAM YEAR 79

02 ALASKA

	PROJECT NAME	ALLOCATION	OBLIGATION	CUMULATIVE (YEAR-TO-DATE)	UN-EXPENDED	ADVANCE	UN-ALLOC
09730	-79-ERSKINE-HOUSE - Kodiak		17,575.00		17,575.00		
09735	-79-SURVEY-AND-PLANN - Dnr		290,336.17		290,336.17		
09768	-79-SOURDOUGH-LODGE - Richardson Hwy		29,479.00		29,479.00		
09953	-79-KNIK-MUSEUM M & T Su		24,638.00		24,638.00		
10046	-79-FORD-SEWARD - Haines		24,306.00		24,306.00		
10100	-79-HOLY-MARY-CHURCH - Kenai		10,700.00		10,700.00		
10123	-79-GAKONA-RDHSE - Gakona		6,206.00		6,206.00		
ALASKA		721,000.00	403,240.17		403,240.17		317,75

	SURVEY & PLANNING COUNT	SURVEY & PLANNING OBLIG.	ACQUIS. & DEVEL. COUNT	ACQUIS. & DEVEL. OBLIG.	TOTAL COUNT	TOTAL OBLIG.
ACTIVE	1	290,336.17	6	112,904.00	7	403,240.17
COMPLETE						
TOTAL	1	290,336.17	6	112,904.00	7	403,240.17

02 ALASKA	TOTAL	2,059,440.84	1,738,503.68	962,044.63	105,194.76	776,459.05	28,057.68	320,93

	SURVEY & PLANNING COUNT	SURVEY & PLANNING OBLIG.	ACQUIS. & DEVEL. COUNT	ACQUIS. & DEVEL. OBLIG.	TOTAL COUNT	TOTAL OBLIG.
ACTIVE	2	542,240.17	24	515,005.00	26	1,057,245.17
COMPLETE	10	439,098.00	21	242,160.51	31	681,258.51
TOTAL	12	981,338.17	45	757,165.51	57	1,738,503.68

Arrington Halley
Form N506 Buff - Form G506 Green

"Outdoor Recreational, Open Space, and Historic Properties Development Fund" (AS 41.22.010-030)

	Initials	Date
Prepared By	RT	10/4/79
Approved By		

MUNICIPAL GRANTS STATUS:

1976 Parks Bond: Cha 168, SLA 76

	(1)	(2)	(3)	(4)	(5)	(6)
	Project	Location		Amount		EXHIBIT C
1	Central Spenard Acq.	Anchorage		262,600		
2	Creekside Acq.	"		62,500		
3	Rabbit Creek			143,000		
4	Community Rec	Bethel		100,000		
5	Odiak Camper Park	Cordova		35,650		
6	Uplands Acq.	Homer		10,400		
7	Bluff Acq.	"		28,600		
8	Dudley Tennis			39,565		
9	Harborview			40,525		
10	Mini-Park	Kodiak		6,000		
11	Tennis/Basketball Ct	Metlakatla		7,925		
12	City Parks	Nenana		32,121		
13	Baseball Park	Petersburg		37,500		
14	Nikiski Athletic	Nikiski		18,200		
15	Neighborhood Park	Valdez		15,000		
16	Hist. Dev. Plan			8,025		
17	Hist. Prop.	Ketchikan		15,515		
18	Knik Museum	Mat-Su		12,319		
19	Erskine House	Kodiak		8,787		
20	SS Nenana	Fairbanks		23,750		
21	City Hall	Skagway		5,751		
22	Oscar Anderson House			6,000		
23	Anchorage Plan--In Situ	Anchorage		10,700		
24	" " Relocation	"		10,700		
25	SS Nenana Plan	Fairbanks		8,250		
26	Juneau Hist. Dist. Plan	Juneau		8,025		
27	Knik Museum--Ph II	Mat-Su		40,332		
28	Knik Bar	"		18,829		
29	Balance to be Allocated			201,171		
30						
31						
32	Retro Grants:					
33	Campbell Creek	Anchorage		833,896		
34	Eaglecrest	Juneau		150,000		
35	SS Nenana	Fairbanks		16,104		
36						
37				2,500,000		
38						
39						
40						
41						
42						
43						

FY '80 PRELIMINARY PRIORITIZATION

	PARTICIPANT	PROJECT	LWCF REQUEST	BOND REQUEST	RAC'S RECOMMENDATION LWCF	RAC'S RECOMMENDED BOND
P	Div. of Parks	SCORP	48,700			
D		Chena Rec. Area	275,400			
A		Chugach Visitors	225,000			
D		Cohoe Wayside	162,820			
D		Silver King	129,200			
A		Kachemak Acq.	100,000			
		Subtotal	941,120			
A	ADF&G	Rifle Range Acq.	75,000			
A	Mun. Of Anch.	Fish Cr. Amend.	126,880			
D		Lynn Ary	75,000	37,500		
A		Taylor & Tarwater	175,000	87,500		
D		Cheney Park	50,000	25,000		
A&D		Huffman Pk.	235,000	117,500		
D		Seppala	50,000	25,000		
D		Creekside	75,000	37,500		
D		Hamilton	20,000	10,000		
A		Dimond Estates	250,000	125,000		

FY '80 PRELIMINARY PRIORITIZATION

	PARTICIPANT	PROJECT	LWCF REQUEST	BOND REQUEST	RAC'S RECOMMENDATION LWCF	RAC'S RECOMMENDED BOND
D	Barrow	Outdoor Rec.	116,500	58,250		
D	Bethel	Comm Rec II	52,000	-		
D	Cordova	Nirvana	56,000	28,000		
D	Cordova	Harborview	49,400	24,700		
D	Craig	Camper Park	76,000	38,000		
D	Craig	Tot Lot	14,500	7,250		
D	Delta Jct.	Bike Trail	250,000	125,000		
D	English Bay	Rec Area	25,000	12,500		
D	Haines	Tlinget Amend.	2,500	1,250		
D	Homer	Sportsfield	15,000	7,500		
D	Ketchikan	Dudley	41,093	-		
D	Mat-Su Borough	Butte Trail	14,040	7,020		
D		Lazy Mt. Trail	36,244	18,122		
D		Wasilla Lake	46,800	23,400		
D		Talkeetna Pk.	12,818	6,409		
D.		Fields/Shelters	21,924	10,982		
D		Hou. ton Camp. Pk.	17,763	8,881		
D		Storage Bldg.	20,800	10,400		

FY '80 PRELIMINARY PRIORITIZATION

	PARTICIPANT	PROJECT	LWCF REQUEST	BOND REQUEST	RAC'S RECOMMENDATION LWCF	RAC'S RECOMMENDED BOND
D	Mat-Su Borough	Trapper Cr Pk	12,142	6,071		
D		Palmer MultiUse	20,800	10,400		
D		Wasilla Historic	24,960	12,480		
D		5 Tot Lots Palmer	9,880	4,940		
D	Nome	Rec Area	110,110	55,055		
D	N. Peninsula Service Area	Athl. Field I	33,800	16,900		
D	Nulato	Rec Area	12,500	6,250		
D	Port Graham	Aleut Ballfield	18,200	9,100		
D	Saxman	Playground	10,000	5,000		
D	Wrangell	Ballfield	13,350	6,675		
D	Yakutat	Rec Area	99,580	49,790		
			2,393,144	1,049,105		

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)
Grants & Funds: Trails and Footpaths	Statewide	Statewide	1 - 22

OBJ. NO(S)	OPERATING BUDGET BRU(S)	NAME(S)	BUDGET COMPONENT NUMBERS	START DATE	COMPLETION DATE
		Parks Administration	05-10-42-05	7/1/80	6/30/81

PROJECT NARRATIVE

I. PROJECT NEED STATEMENT. This appropriation request responds to the "Trails and Footpaths" grants program established by the Legislature in 1972 (AS 41.20.355-375). That statute provides that "an amount of not less than three-eights of one per cent nor more than one per cent of the total yearly state and federal matching sum combined, under the federal-aid-to-highways program . . . , shall be appropriated annually from the general fund to the Department of Natural Resources for the purposes of providing grants to eligible cities and boroughs for trails, footpaths and shelter construction and maintenance in appropriate areas, including but not limited to existing park and recreation areas and for the purpose of providing grants to the Department of Highways for developing the program specified in . . . this chapter." With the yearly State and federal funds in the federal-aid-to-highways program amounting to about $120 million the annual appropriation would range from $450.0 thousand (three-eights of one per cent) to $1.2 million (one per cent).

Since this program was established in 1972, however, funding has not occurred on an annual basis. The following summarizes appropriation activities for this grants program:

Fiscal Year	Funding Source	Amount
FY73-77	-	-0-
FY78	G.F.	300.0
FY79	G.F.	200.0
	G.O.	500.0
FY80	-	-0-
		1,000.0

PROJECT TYPE

- ☐ Building Construction (C)
- ☐ Other Improvement (I)
- ☐ Equipment (E)
- ☐ Land (L)
- ☐ Professional Services (P)
- ☒ Other (O)

APPROPRIATION REQUEST

1002	FED. RCPTS.	
1003	G/F MATCH	
1004	GEN. FUND	450.0
1005	I/A RCPTS.	
	G.O. BONDS	
	TOTAL	450.0

PROJECT CHARACTERISTICS

- ☐ Totally New Facility
- ☐ Addition to Existing Facility
- ☐ Renovation of Existing Facility
- ☐ Major Maintenance or Repair
- ☐ Supplement Previously Authorized Funds to Enable Completion
- ☐ One of Several Phases
- ☐ Major External Funding Source
- ☒ Other

PROJECT PURPOSES

- ☐ Protect Human Health & Safety
- ☐ Protect Capital Assets
- ☐ Protect Natural Resources or Natural Environment
- ☐ Improve Efficiency & Economy of State Government
- ☐ Improve Services or Accommodate Increased Demand for Services
- ☐ Accommodate New Program Requirements
- ☒ Respond to Legal or Policy Mandate
- ☐ Improve Efficiency & Economy of Alaskan Infrastructure
- ☒ Other

NO	YES	SITE FEATURES
☐	☐	Site Currently Owned? N/A
☐	☐	All Utilities Available? N/A
☐	☐	Access Already Available? N/A

OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		FIRST OPERATING YEAR -0-	ULTIMATE ANNUAL YEAR -0-	PREVIOUS YR-PRIORITY 80-GF 80-18
FUNDING SOURCE	FED. RCPTS.			AGENCY PRIORITY
	GEN. FUND			81-4 GF
				GOVERNOR'S PRIORITY
TOTAL ANNUAL OPERATIONAL COST		-0-	-0-	
POSITION (FTE)				

CATEGORY NRMEC AGENCY Natural Resources PROGRAM Parks & Recreation

DRAFT

Modified to Show Transactions in Progress

Projects & Title	Participant	Agreement Expiration Date	Total Authorization	Payments Distributed	Unencumbered Balance
9000-Invalid				-131.14	(131.14
9001 Rest/Bike/Ped Trails	City of Haines	6/30/79	7,[illegible].09	7,990.09	
9002 Self Guided Walking Tour	City of Ketchikan	6/30/79	9,615.38		9,615.38
9003 Treadwell Ditch Creek	City & Boro Juneau	6/30/79	26,923.08		26,923.08
9004 Sawmill Creek Bike Trail	Munic of Sitka	6/30/79	28,076.92	28,076.92	-0-
9005 Chester Creek Bike Trail	Munic. of Anchorage	6/30/79	20,000.00		20,000.00
9006 Fish Creek Bike Path Dev.	Munic. of Anchorage	6/30/80	110,576.92	110,576.92	-0-
9007 Lakeshore Drive	Eagle River	6/30/80	12,774.04	12,774.04	0
9009 Petlaville-Aleknagik Ni 9	City of Dillingham	6/30/80	14,423.08		14,423.08
9010 Portage Cove	Haines	6/80	370.50	370.50	0
9011 Yellow Hill-Skaters Lake	Metlakatla Ind Comm	6/30/80	18,899.04	15,533.69	3,365.35
9012 Mahoney Trail Handicapped	Mun of Anch	6/30/80	36,723.08	36,723.08	
9013 Skagland Mem Trails	Fbk. N.S. Boro	6/30/80	9,615.38	6,473.39	3,141.99
9014 Mendenhall Glacier Trail	City & Boro Juneau	6/30/81	96,153.85	94,025.44	2,128.41
9015 Bethel Lake Path	City of Bethel	6/30/81	95,480.77	88,897.98	6,582.79
9016 Skaters Lake Trail	City of Metlakatla	6/30/81	34,772.12		34,772.12
9017 West Chester Lagoon	Munic. of Anchorage	6/30/81	1,735.57		1,735.57
9018 Ketchikan Crk. Bike Trl.	City of Ketchikan	6/30/81	62,054.81		62,054.81
9019 Cordova Bike Trail	City of Cordova	6/30/82	47,355.00		47,355.00
9020 Physical Fitness Trail	Munic. of Anchorage	6/30/82	17,307.69		17,307.69
9021 Lake Otis Bike Trail Ph I	Munic. of Anchorage	6/30/32	78,846.15		78,846.15
			~~33,219.32~~	~~26,116.34~~	~~7,102.98~~
9000 Administrative fees			~~31,195.73~~	~~26,035.20~~	~~5,160.53~~
			-0-		-0-
9300 Unallocated			~~53,910.80~~		~~53,910.80~~
9800 Completed Projects			~~86,134.63~~	86,134.63	-0-
9900 Payroll Suspense				.22	(.22
				427,809.61	

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ALASKA TRAIL AND FOOTPATHS GRANT PROGRAM
Proposed Projects
Not Active as of June 30, 1979

AD - Project Approved for Funding by Rec. Advisory Comm.
AG - Agreement Mailed Prospective Recipient

ject le	Participant	Total Project Cost (4% Surcharge Added)	Passed Advisory Committee	Clearinghouse	Office Information
iok Bike Path	Akhiok	52,000.00		—	
ot Road Bike Trail	Anchorage Municipality	176,800.00	11/03/78	09/29/78	
e Otis Pkwy. Bike Path, II	Anchorage Municipality (Alask. Road Funding)	~~138,480.00~~ 108,000.00	11/03/78	09/29/78	AG 09/11/79
hel Bike Path	City of Bethel (Anchorage Municipality / Alask. Road Funding)	148,720.00	11/03/78	01/03/78	AG 09/11/79
9030 ilton Dr. Bike Path	City of Craig	70,030.00	03/12/79	04/18/79	AG 04/20/79
omede Trail Program	City of Diomede	5,569.20			
rtuna Ledge Trails	Fortuna Ledge	1,560.00			
704) lena Alexander Lk. Tr.	City of Galena	49,833.00	11/03/78	04/27/78	AG 04/29/79
d Day Road Trail	City of Haines	55,466.00	11/03/78	01/10/78	AG 04/20/79
kiski Ski Touring Center	Kenai Borough	95,940.00			
ana Trails	City of Kiana	17,680.00			
. Village Trails	Mt. Village	11,108.24			

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Project Title	Participant	Total Project Cost (4% Surcharge Added)	Passed Advisory Committee	Office Clearingh Information
Hunting Trail	Napaskiak	2,704.00		
Noorvik Trail	City of Noorvik	51,602.51		
Nome Bike Trail	Nome	100,000.00	11/03/78	08/03/78 AG 04/20/79
North Slope B. Trails	North Slope Borough			
Public Access Trail	Pilot Station Village	4,836.00		
Trail Staking	Savoonga	6,656.00		
Sawmill Creek Bike Path	Sitka	76,436.80	11/03/78	12/08/78 AG 04/20/79
Cross Trail Ph. II	Sitka	27,340.56	11/03/78	08/22/75
Tanana Trail Prog.	City of Tanana	111,209.38		
5024 Goat Trail	Valdez	28,912.00	11/03/78	06/26/78 AG 04/20/79
Gold Creek Trail	Valdez	5,075.20	11/03/78	06/26/78
Twin Lake Bike Path	Juneau	112,840.00	03/12/79	04/30/72
Selawik Footpaths	Selawik	12,464.92		
Bike/Pedestrian Trail, I	Cordova	48,048.00	11/03/78	02/07/78
AMU/UAA Wesleyan Bike Trail	Anchorage Municipality	141,440.00		
49027 Hillside Pk. X-Ctry. Ski Tr.	Anchorage Municipality (Hwy Rec Funding)	95,000.00 187,200.00		AG 08/01
49026 Kincaid Park Ski Trails	Anchorage Municipality (Hwy Rec Funding)	95,000.00 202,300.00		AG 08/01
Earthquake Park Nature Trail	Anchorage Municipality	130,000.00		
Rentzen Lake Inter Trails	Anchorage Municipality	78,000.00		
4928 [illegible]	[illegible] (Hwy Rec Funding)	102,000.00		

DRAFT

DRAFT

Project Title	Participant	Total Project Cost (4% Surcharge Added)	Passed Advis Committee	Clearing	Office Information
Baxter Lake Inter Trails	Anchorage Municipality	98,800.00			
Johns Park Nature Trail	Anchorage Municipality	62,400.00			
Fire Hall Phys. Fitness Tr.	Anderson	4,491.76			
East Kenai Park-Phase Trail 47025	City of Kenai	28,225.00	03/12/79	03/23/79	AG 04/20/79
Tenakee Springs Service Tr.	City of Tenakee Springs	6,240.00			
Shishmaref Board Walk	Shishmaref	10,400.00			
Tanana Valley Railroad Tr.	Fairbanks North Star Borough	37,102.00	03/12/79	04/18/79	
Jeff Stoddard Dog Mushing Tr.	Fairbanks North Star Borough	43,241.00	03/12/79	04/18/79	AG 05/04/79
Ester Community Trails	Fairbanks North Star Borough	54,163.20	03/12/79	04/18/79	
Susitna Ski/Talkeetna Tr.	Mat/Su Borough	10,400.00	03/12/79	04/18/79	AG 04/20/79
Old Man Creek Trail	Mat/Su Borough	6,240.00	03/12/79	04/18/79	AG 04/20/79
Hicks Creek Trail	Mat/Su Borough	8,320.00	03/12/79	04/18/79	AG 04/20/79
Jim Creek Trail	Mat/Su Borough	5,200.00	03/12/79	04/18/79	AG 04/20/79
Nulato Trails	Nulato	-----			
Barrow Footpath Project 49023-4	City of Barrow	71,608.00	03/12/79	03/26/79	AG 04/20/79
Katlik Trail Marking	City of Katlik	9,880.00			
TOTAL PROJECTS		2,607,462.77			

DRAFT

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS
619 Warehouse Avenue
Anchorage, Alaska 99501
274-4676

EXHIBIT III

PROPOSAL
of

_____

for a
Parks and Recreation Project
Identified in Section 25, Chapter 80, SLA 1979 (Page 62)
as

_____

I. PROJECT DESCRIPTION SUMMARY.

II. PROJECT WORK PLAN SUMMARY.

III. AUDITS AND INSPECTIONS. At any time during normal business hours and as often as the State or an agent of the State considers necessary, there shall be made available to the State or an agent of the State for examination all records regarding matters covered by this proposal. The State or an agent of the State will be permitted to audit, examine, and make excerpts or transcripts from the records, and will be permitted to audit all contracts, invoices, materials, payrolls, personnel records, conditions of employment, and other data relating to matters covered by this proposal.

(over)

At any time during normal business hours and as often as the State or an agent of the State considers necessary, the State or an agent of the State shall be permitted to physically inspect the project.

IV. LAND STATUS AND PUBLIC ACCESS. The land and structures acquired with the funds appropriated for this project will be designated for public use upon completion of the project. The facilities constructed with the funds appropriated for this project will be located on publicly owned or controlled lands. Public access will be assured for a period of ten years from the date that notice of completion is filed with the department, after which time it will be automatically extended for s ccessive ten year periods unless a contrary arrangement is agreed to by the department.

V. REQUEST FOR PAYMENT. The Department of Natural Resources is hereby requested to issue a warrant, payable to _____, in the amount of _____, in order to accomplish the work described above.

VI. NOTICE OF COMPPLETION. Immediately upon completion of the work described in Parts I and II above, a sworn affidavit stating that the project was accomplished, as described in this proposal, and setting forth an accurate summary of the expenditures made will be provided to the commissioner of natural resources by the project coordinator.

VII. CERTIFICATION OF AUTHORITY. Done at _____, this _____day of _____, 19_____.

(Signature) _____

(Title) _____

_____

UNITED STATES OF AMERICA)
STATE OF ALASKA) ss.

This certifies that on the _____day of _____, 19____, before me a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, to me known and known to me to be the person described in and who executed and acknowledged the foregoing instrument on behalf of the _____. The said _____, after being duly sworn according to law, stated to me under oath that he is the _____ for the _____ and that he executed and acknowledged the same freely and voluntarily as the free and voluntary act and deed of the _____.

WITNESS my hand and official seal the day and year in this certificate first above written.

_____
Notary Public in and for the
State of Alaska

NATURAL RESOURCE MANAGEMENT (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES: GENERAL FUND	OTHER FUNDS
DEPARTMENT OF NATURAL RESOURCES				
PARKS & RECREATION				
LAND & WATER CONSERVATION FUND		2,800,000		2,800,000
NATIONAL HISTORIC PRESERVATION FUND		850,000		850,000
NORTHERN PANHANDLE MARINE FACILITIES (ED 4)		50,000	50,000	
CHENA CAMPGROUND UPGRADE - FAIRBANKS (ED 20)		400,000	400,000	
+ KWETHLUK BIKE/FOOT TRAIL GRANT (ED 17)		20,000	20,000 —	
+ KASARALIK SHELTER HOUSE - BETHEL (ED 17)		10,000	10,000 —	
BIKE TRAILS GRANT - ANCHORAGE (ED.7)		220,000	220,000 —	
FISH CREEK PARK IMPROVEMENTS GRANT - ANCHORAGE (ED 7)		50,000	50,000 —	
PIONEER SCHOOLHOUSE GRANT - ANCHORAGE (ED 7)		150,000	150,000 —	
FAIRVIEW CENTER GROUNDS UPGRADE - ANCHORAGE (ED 7)		60,000	60,000 —	
VALLEY OF THE MOON PARK GRANT - ANCHORAGE (ED 7)		20,000	20,000 —	
TREE PLANTING PROGRAM GRANT - ANCHORAGE (ED 7)		70,000	70,000 —	
WESTCHESTER LAGOON PICNIC AREA - ANCHORAGE (ED 7)		100,000	100,000 —	
FISH & CAMPBELL CREEKS CLEAN-UP - ANCHORAGE (ED 7)		100,000	100,000 —	
TOTEM BIGHT PAMPHLET - KETCHIKAN (ED 1)		5,000	5,000	
RESTROOM FACILITIES - HULCAHY PARK - ANCHORAGE (ED 7)		390,000	390,000 —	
DELONG LAKE PARK ACQUISITION - ANCHORAGE (ED 7)		200,000	200,000 —	
SAND LAKE AREA ACQUISITION - ANCHORAGE (ED 7)		100,000	100,000 —	
+ PURCHASE OF RECREATION SITES - FAIRBANKS (ED 7)		220,000	220,000 —	
FRONTIERLAND PARK GRANT - ANCHORAGE (ED 7)		25,000	25,000 —	
FAIRVIEW RECREATION FACILITY (ED 7)		2,000,000	2,000,000 —	
ADAIR-KENNEDY ATHLETIC PARK GRANT-JUNEAU (ED 4)		75,000	75,000 —	
COMMUNITY BUILDING-SUTTON (ED 6)		10,000	10,000 —	
THE $10,000 APPROPRIATION IS A DIRECT GRANT TO THE COMMUNITY OF SUTTON.				
OBERG FIELD UPGRADING-ANCHORAGE (ED 7)		57,000	57,000 —	
THE $57,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.				
NUNAKA VALLEY PARK DEVELOPMENT (ED 7)		70,000	70,000 —	
THE $70,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.				

NATURAL RESOURCE MANAGEMENT (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES: GENERAL FUND	OTHER FUNDS
LOOSE FEASIBILITY STUDY-DENALI STATE PARK (ED 6)		105,000	105,000	
GOVERNMENT HILL CENTER-ANCHORAGE (ED 7)		300,000	300,000 —	
THE $300,000 APPROPRIATION IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE.				
RECREATIONAL FACILITIES MODIFICATION-ANCHORAGE (ED 7)		50,000	50,000 —	
THE APPROPRIATION OF $50,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONVERSION OF RECREATION FACILITIES FOR USE BY THE HANDICAPPED.				
MOUNTAIN VIEW BIKE TRAIL-ANCHORAGE (ED 7)		90,000	90,000 —	
THE APPROPRIATION OF $90,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONSTRUCTION OF A BIKE TRAIL FROM MOUNTAIN VIEW TO DOWNTOWN ANCHORAGE.				
BIKE TRAIL-ANCHORAGE (ED 7)		170,000	170,000 —	
THE APPROPRIATION OF $170,000 IS A DIRECT GRANT TO THE MUNICIPALITY OF ANCHORAGE FOR THE CONSTRUCTION OF A BIKE TRAIL FROM 68TH STREET TO LAKE OTIS.				
+ SAINT JAMES MISSION REHABILITATION-TANANA (ED 19)		50,000	50,000 —	
THE APPROPRIATION OF $50,000 IS A DIRECT GRANT TO THE COMMUNITY OF TANANA.				
+ GATEWAY R.E.A.A. GRANT-INTERIOR (ED 19)		77,200	77,200 —	
THE APPROPRIATION OF $77,200 IS A DIRECT GRANT TO THE VILLAGES OF TOK, DOT LAKE, MENTASTA LAKE, EAGLE AND NORTHWAY.				
HOSTEL DEVELOPMENT-STATEWIDE (ED 7)		19,000	19,000	
ARCTIC ROAD BIKE TRAIL-ANCHORAGE (ED 7)		170,000	170,000 —	
LANDS ADMINISTRATION				
ALASKA LAND AND RESOURCE SYSTEM — JV 79-0242		1,700,000	1,700,000	
STUDY OF TSUNAMIS & LANDSLIDES - KODIAK (ED 14) — JV 80-0006		419,000	419,000	
THE $419,000 APPROPRIATION IS A DIRECT GRANT TO THE CITY OF KODIAK.				
WAREHOUSE MOUNTAIN LAND DISPOSAL WORK ROAD (ED 14) — JV 79-0256		100,000	100,000	
THE APPROPRIATION OF $100,000 IS FOR A WORK-ROAD ALIGNMENT PROJECT FOR THE WAREHOUSE MOUNTAIN LAND DISPOSAL.				

+ 377,2

77%

— 4,854.2

MEMORANDUM State of Alaska

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS

TO: Tom Bergstrom, Director
Division of Administration
and Management

DATE: January 15, 1980

FILE NO:

TELEPHONE NO:

FROM: Hilton Wolfe
Staff Assistant HWW

SUBJECT: Status of FY80 "Community Grants" (80SLA1979)

The following summarizes activity relating to the recreational appropriations made to communities through DNR in Chapter 80, SLA 1979:

(1) Grants in Active Status:

(a) 20 Anchorage grants for a total of $4.4 million
(b) 1 Juneau grant for $75 thousand
(c) 1 Sutton: Community Building - RSA with DOT/PF for 10.0

(2) Grants in Preparation:

(a) 1 Fairbanks grant of $220 thousand for recreation site purchases. The desired land acquisition has already been accomplished and the North Star Borough has asked if the appropriation may now be used for development on those acquired sites.

(3) No Response to Letter of Solicitation (11/16/79):

(a)	Bethel: Kisaralik Shelter House	10.0
(b)	Kwethluk: Bike/Foot Trail Grant	20.0
(c)	Tanana: St. James Mission Rehabilitation	50.0

(4) Letter of Solicitation Not Yet Sent:

(a)	Gateway R.E.A.A. grant to Tok, Dot Lake, Mentasta Lake, Eagle, and Northway	77.2

(5) Uncertain Status:

(a) Fairbanks/Division of Parks: Chena Campground Upgrade - $400 thousand.

Recommended action:

(1) In order for Fairbanks to proceed with its application, we need a ruling as to whether the appropriation may be used for development rather than acquisition. I can ask Steve Smith, or Rod Pegues, for an opinion. If the opinion is favorable, Fairbanks can be notified to proceed; if unfavorable, the Fairbanks delegation can be advised that amending action would be appropriate this session.

(2) Certified letters of solicitation should be sent to the three communities which have not responded. I could draft for Chip's or your signature.

(3) Letters of solicitation should be sent to the villages under the R.E.A.A. grant after I do some more research. I could draft for Chip's or your signature.

(4) There appears to be some difference of opinion regarding whether Parks or the Borough is supposed to use the $400 thousand for the Chena Upgrade project. Chip is working directly on this issue.

cc: Chip Dennerlein
Kay Torzy

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 81	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOV'S PRIORITY
81-1		O	Federal Receipts: Land and Water Conservation Fund (Statewide)	3,000.0	FED. RCPTS.	PROGAM	TOTAL	23,396.1	A
					GEN FUND				
					G.O. BONDS	COMMUN	ITY	12,849.9	
						PROJ	ECTS		
			ULTIMATE ANNUAL OPERATING COST = -0-			106	PROJECTS		
			EXPECTED YEAR = FY	3 000.0	TOTAL				
81-2		O	Federal Receipts: National Historic Preservation Fund (Statewide)	900.0	FED. RCPTS.	PROGRAM TOTAL		2,059.4	B
					GEN. FUND	1977-1979			
					G.O. BONDS	38 PROJECTS			
			ULTIMATE ANNUAL OPERATING COST= -0-						
			EXPECTED YEAR =	900.0	TOTAL				
81-3		I, E, L, P, O	Grants & Funds: Outdoor Recreational, Open Space and Historic Properties Development Fund (Statewide)		FED. RCPTS.	PROGRAM	TOTAL	15,840.0	C
					GEN FUND				
				9,743.0	G.O. BONDS	COMMUNITY	PROJECTS	5,500.0	
						45 PROJECTS			
			ULTIMATE ANNUAL OPERATING COST= -0-						
			EXPECTED YEAR = FY	9,743.0	TOTAL				
81-4		O	Grants & Funds: Trails and Footpaths (Statewide)		FED. RCPTS.	PROGRAM	TOTAL	1,000	D
				450.0	GEN. FUND				
					G.O. BONDS	COMMUNITY	PROJECTS	1,000	
			ULTIMATE ANNUAL OPERATING COST= -0-			20+	PROJECTS		
			EXPECTED YEAR = FY	450.0	TOTAL				
81-5		O	Grants & Funds: Alaska Youth Hostel System (Statewide)		FED. RCPTS.				
					GEN. FUND				
				310.5	G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST= -0-						
			EXPECTED YEAR = FY	310.5	TOTAL				

CATEGORY NRMEC AGENCY Natural Resources PROGRAM Parks & Recreation PROPOSED FUNDING YEAR FY 81

PROJECT TYPE CODES
C Bldg. Construction
I Other Improvement
E Equipment
L Land
P Professional Svcs.
O Other

34 PROPOSED SIX—YEAR CAPITAL PROGRAM

REVISED DATE

01 1034 (7/79)

AGENCY SUBMISSION						GOVERNOR'S RECOMMENDATION Please Do Not Write In This Area			
AGENCY PRIORITY	OBJ. NO(S)	PROJECT TYPE	PROJECT TITLE AND LOCATION	AGENCY FUNDING YEAR 81	FUNDING SOURCE	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOVERNOR'S FUNDING YEAR	GOV'S PRIORITY
81-6		O	Alaska State Parks Plan (Statewide)		FED. RCPTS.				
				263.3	GEN FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST = -0-						
			EXPECTED YEAR = FY _____	263.3	TOTAL				
					FED. RCPTS.				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST= _____						
			EXPECTED YEAR= _____		TOTAL				
					FED. RCPTS.				
					GEN FUND				
					G.O. BONDS	209 PROJECTS			
			ULTIMATE ANNUAL OPERATING COST= _____			$20+ MILLION			
			EXPECTED YEAR=FY _____		TOTAL				
					FED. RCPTS.				
					GEN. FUND				
					G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST= _____						
			EXPECTED YEAR=FY _____		TOTAL				
			FY 81 Total	3,900.0	FED. RCPTS.				
				713.3	GEN. FUND				
				10,053.3	G.O. BONDS				
			ULTIMATE ANNUAL OPERATING COST= _____						
			EXPECTED YEAR=FY _____	14,666.8	TOTAL				

CATEGORY NRMEC AGENCY Natural Resources PROGRAM Parks & Recreation PROPOSED FUNDING YEAR FY 81

PROJECT TYPE CODES

C	Bldg. Construction	L	Land
I	Other Improvement	P	Professional Svcs.
E	Equipment	O	Other

34 PROPOSED SIX—YEAR CAPITAL PROGRAM

REVISED DATE _____

01-1034 (7/79)

UNITED STATES DEPARTMENT OF THE INTERIOR
HERITAGE CONSERVATION & RECREATION SERVICE
TABLE 14: DETAILED LISTING OF GRANTS BY COUNTY

AA REGION 02 ALASKA

(1)	(2)	(3) PROJECT TITLE	(4) PROJECT SPONSOR	(5) AMOUNT	(6)	(7)APPR	(8)EXP	(9) CNTY N
254-XXX	A	NANCY LAKE ACQUISITION II	ALASKA DIVISION OF PARKS	195,000.00	A	03/15/79	12/31/83	000
			COUNTY TOTAL	195,000.00				
257-XXX	C	CHUGACH DEVELOPMENT	STATE OF ALASKA-DIVISION OF PARK	500,000.00	A	05/16/79	12/31/83	000
			COUNTY TOTAL	500,000.00				
239-XXX	D	SAND POINT PLAYGROUND	CITY OF SAND POINT	16,255.00	A	05/08/78	12/31/80	ALEUTIAN
			COUNTY TOTAL	16,255.00				
012-XXX	C	MT. VIEW NEIGHBORHOOD PARK	CITY OF ANCHORAGE	4,300.00	C	12/06/66	09/30/68	ANCHORAGE
013-XXX	C	FAIRVIEW NEIGHBORHOOD PARK	CITY OF ANCHORAGE	16,150.00	C	12/06/66	10/31/67	ANCHORAGE
019-XXX	D	RUSSIAN JACK SPRINGS PARK	CITY OF ANCHORAGE	13,125.00	C	12/06/66	09/30/68	ANCHORAGE
024-XXX	D	CHESTER CREEK PARK	CITY OF ANCHORAGE	234,821.66	C	05/12/67	12/31/70	ANCHORAGE
027-XXX	D	GOOSE LAKE RECREATION AREA	CITY OF ANCHORAGE	13,125.00	C	04/27/67	10/31/66	ANCHORAGE
030-XXX	C	SOUTH MOUNTAIN VIEW AREA	CITY OF ANCHORAGE	24,425.00	C	11/30/66	10/31/67	ANCHORAGE
034-XXX	D	RUSSIAN JACK SPRINGS	CITY OF ANCHORAGE	237,750.00	A	02/07/68	12/31/70	ANCHORAGE
035-XXX	C	MIRROR LAKE PICNIC WAYSIDE	DEPARTMENT OF NATURAL RESOURCES	40,366.01	C	08/28/67	09/01/68	ANCHORAGE
054-XXX	D	GOOSE LAKE SWIMMING AREA	CITY OF ANCHORAGE	4,610.74	C	11/19/69	12/31/70	ANCHORAGE
056-XXX	D	CHESTER CREEK PARK	CITY OF ANCHORAGE	49,940.87	C	08/18/70	12/31/71	ANCHORAGE
063-XXX	D	WEST TENNIS COURT-HOCKEY RINK	ANCHORAGE BOROUGH SCHOOL DISTRIC	35,000.00	C	01/26/71	12/31/72	ANCHORAGE
064-XXX	D	DIMOND HIGH HANDBALL-VOLLEYBALL AREA	ANCHORAGE BOROUGH SCHOOL DISTRIC	12,500.00	C	01/26/71	12/31/72	ANCHORAGE
065-XXX	D	DIMOND HIGH TENNIS FACILITY	ANCHORAGE BOROUGH SCHOOL DISTRIC	20,000.00	C	01/26/71	12/31/72	ANCHORAGE
066-XXX	D	CHINOOK SCHOOL HOCKEY RINK	ANCHORAGE BOROUGH SCHOOL DISTRIC	12,500.00	C	01/29/71	12/31/72	ANCHORAGE
068-XXX	D	RUSSIAN JACK SPRINGS PHASE 4	CITY OF ANCHORAGE	72,198.57	C	03/23/71	12/31/74	ANCHORAGE
069-XXX	D	CHESTER CREEK PARK - PHASE II	CITY OF ANCHORAGE	52,445.14	C	03/23/71	12/31/76	ANCHORAGE
070-XXX	D	CHESTER CREEK SPORTS COMPLEX	CITY OF ANCHORAGE	67,000.00	A	03/24/71	12/31/76	ANCHORAGE
079-XXX	D	MCHUGH CREEK EXPANSION	DIVISION OF PARKS	66,455.43	C	03/20/72	12/31/76	ANCHORAGE
083-XXX	D	GOOSE LAKE BEACH AREA	CITY OF ANCHORAGE	7,426.64	C	06/09/72	12/31/73	ANCHORAGE
088-XXX	D	LAWN BOWLING FACILITY - DELANEY PARK	CITY OF ANCHORAGE	2,500.00	C	06/28/72	12/31/73	ANCHORAGE
089-XXX	A	WESTCHESTER LAGOON	CITY OF ANCHORAGE	5,200.00	A	08/21/72	12/31/76	ANCHORAGE
094-XXX	D	NORTHWOOD BASEBALL DIAMOND	GREATER ANCHARAGE AREA BOROUGH	7,500.00	C	09/06/72	12/31/72	ANCHORAGE
098-XXX	A	CHESTER CREEK LAND ACQUISITION	CITY OF ANCHORAGE	52,000.00	C	08/28/72	12/31/73	ANCHORAGE
099-XXX	D	CENTENNIAL CAMPER PARK	GREATER ANCHORAGE AREA BOROUGH	48,199.94	C	12/29/72	12/31/74	ANCHORAGE
100-XXX	D	MINNESOTA STRIP PARK	BOROUGH OF GREATER ANCHORAGE ARE	44,450.00	C	09/12/72	12/31/73	ANCHORAGE
105-XXX	D	NORTHWOOD SCHOOL HOCKEY FACILITY	BOROUGH OF ANCHORAGE	15,000.00	C	09/15/72	12/31/72	ANCHORAGE
106-XXX	D	CHESTER VALLEY HOCKEY RINK	BOROUGH OF ANCHORAGE AREA	15,000.00	C	09/15/72	12/31/72	ANCHORAGE
107-XXX	D	WOODLAND PARK HOCKEY FACILITY	BOROUGH OF GREATER ANCHORAGE ARE	15,000.00	C	09/12/72	12/31/72	ANCHORAGE
123-XXX	D	WILLOW CREST PARK	GREATER ANCHORAGE AREA BOROUGH	51,079.72	C	01/19/73	12/31/73	ANCHORAGE
125-XXX	A	SCENIC PARK	GREATER ANCHORAGE AREA BOROUGH	53,040.00	C	01/23/73	12/31/73	ANCHORAGE
141-XXX	A	CHESTER CREEK PARK	CITY OF ANCHORAGE	82,500.00	A	05/29/73	12/31/77	ANCHORAGE
144-XXX	C	CHUGACH STATE PARK ACCESS	DIV. OF PARKS	129,095.47	C	05/31/73	12/31/77	ANCHORAGE
153-XXX	A	GREENBELT ACQ. - LAMPERT PROP.	CITY OF ANCHORAGE	130,380.00	C	07/31/73	12/31/77	ANCHORAGE
159-XXX	A	SCENIC OVERLOOK	CITY OF ANCHORAGE	75,000.00	C	12/07/73	12/31/75	ANCHORAGE
162-XXX	A	BAXTER LAKE ACQUISITION	GREATER ANCHORAGE AREA BOROUGH	108,160.00	C	01/08/74	12/31/78	ANCHORAGE
163-XXX	A	GREENBELT ACQ. - TRACT A	CITY OF ANCHORAGE	97,500.00	C	01/22/74	12/31/75	ANCHORAGE
167-XXX	A	MULDOON PARK	GREATER ANCHORAGE AREA BOROUGH	300,000.00	C	02/25/74	12/31/74	ANCHORAGE
172-XXX	A	CHESTER CREEK GREENBELT-THOMPSON SUB	CITY OF ANCHORAGE	62,400.00	A	06/28/74	12/31/76	ANCHORAGE
173-XXX	A	CAMPBELL CREEK NEAR DIMOND BLVD.	GREATER ANCHORAGE AREA BOROUGH	65,364.00	C	05/07/74	12/31/75	ANCHORAGE

EXHIBIT A

(1)	(2)	(3) PROJECT TITLE	(4) PROJECT SPONSOR	(5) AMOUNT	(6)	(7)APPR	(8)EXP	(9) CNTY NAM
69-XXX	A	CAMPBELL CREEK-LAKE OTIS & DIMOND	GREATER ANCHORAGE AREA BOROUGH	345,765.00	C	06/14/74	12/31/76	ANCHORAGE
70-XXX	A	CAMPBELL CREEK GREENBLET PARK SYSTEM	MUNICIPALITY OF ANCHORAGE.	1,870,000.00	C	06/23/74	12/31/78	ANCHORAGE
75-XXX	A	CHESTER CREEK - LOT 33 - BLOCK 7	CITY OF ANCHORAGE	39,780.00	C	12/16/74	12/31/76	ANCHORAGE
11-XXX	A	TRACT B, COLLEGEGATE EAST	CITY OF ANCHORAGE	138,300.00	A	07/14/75	12/31/77	ANCHORAGE
12-XXX	A	TRACT D - COLLEGEGATE EAST	CITY OF ANCHORAGE	124,280.00	C	07/14/75	12/31/77	ANCHORAGE
16-XXX	A	S HALF OF CHENEY LAKE ACQUISITION	CITY OF ANCHORAGE	200,200.00	C	10/22/75	12/31/77	ANCHORAGE
44-XXX	A	O'MALLEY NEIGHBORHOOD PARK	MUNICIPALITY OF ANCHORAGE	65,000.00	C	06/03/76	12/31/78	ANCHORAGE
45-XXX	A	OCEANVIEW NEIGHBORHOOD PARK	MUNICIPALITY OF ANCHORAGE	75,000.00	C	04/14/76	12/31/77	ANCHORAGE
46-XXX	A	FISH CREEK GREENBELT	MUNICIPALITY OF ANCHORAGE	160,000.00	A	09/29/76	12/31/80	ANCHORAGE
53-XXX	D	RESOLUTION PARK	MUNICIPALITY OF ANCHORAGE	120,000.00	C	06/21/76	12/31/78	ANCHORAGE
77-XXX	A	CHUGACH STATE PARK ACQUISITION	STATE DIVISION OF PARKS	960,000.00	A	05/19/77	12/31/81	ANCHORAGE
82-XXX	A	FAIRVIEW ACQUISITION	MUNICIPALITY OF ANCHORAGE	37,500.00	A	11/14/77	12/31/79	ANCHORAGE
00-XXX	A	CREEKSIDE PARK ACQUISITION	MUNICIPALITY OF ANCHORAGE	125,000.00	A	01/19/79	12/31/83	ANCHORAGE
01-XXX	A	CENTRAL SPENARD ACQUISITION	MUNICIPALITY OF ANCHORAGE	525,200.00	A	01/19/79	12/31/84	ANCHORAGE
			COUNTY TOTAL	7,129,534.19				
20-XXX	D	CHILDREN'S PLAYGROUND	CITY OF BARROW	20,000.00	A	11/12/76	12/31/79	BARROW
			COUNTY TOTAL	20,000.00				
99-XXX	D	COMMUNITY RECREATION FACILITY	CITY OF BETHEL	200,000.00	A	12/14/78	12/31/83	BETHEL
			COUNTY TOTAL	200,000.00				
51-XXX	A	CORDOVA MUNICIPAL PARK	CITY OF CORDOVA	23,400.00	C	03/10/70	12/31/70	CORDOVA-MC
71-XXX	D	CORDOVA MUNICIPAL PARK DEV	CITY OF CORDOVA	34,923.48	C	12/14/71	12/31/73	CORDOVA-MC
22-XXX	D	CORDOVA TRIPOD WINTER SPORTS AREA	CITY OF CORDOVA	271,640.00	C	11/16/72	12/31/76	CORDOVA-MC
40-XXX	D	ODIAK CAMPER PARK	CITY OF CORDOVA	127,300.00	A	05/25/78	12/31/80	CORDOVA-MC
			COUNTY TOTAL	457,263.48				
04-XXX	D	CHENA RIVER CAMPGROUND	DEPARTMENT OF NATURAL RESOURCES	92,897.47	C	12/18/65	12/31/68	FAIRBANKS
05-XXX	D	HARDING LAKE RECREATION AREA	DEPARTMENT OF NATURAL RESOURCES	143,611.03	C	12/18/65	12/31/71	FAIRBANKS
10-XXX	D	PIONEER MEMORIAL PARK	DEPARTMENT OF NATURAL RESOURCES	400,000.00	C	07/06/66	12/31/67	FAIRBANKS
49-XXX	A	SALCHA RIVER ACCESS WAYSIDE	DEPARTMENT OF NATURAL RESOURCES	6,831.50	C	06/25/69	06/25/69	FAIRBANKS
60-XXX	D	SALCHA RIVER ACCESS WAYSIDE	DEPARTMENT OF NATURAL RESOURCES	33,970.54	C	02/08/71	12/31/76	FAIRBANKS
27-XXX	D	NORTH POLE REC. AREA	CITY OF NORTH POLE	2,811.25	C	06/28/72	12/31/72	FAIRBANKS
50-XXX	D	BIRCHHILL PARK-PHASE I	FAIRBANKS NORTH STAR BOROUGH	20,000.00	A	06/07/73	12/31/76	FAIRBANKS
61-XXX	D	NORTH POLE PARK	FAIRBANKS NORTH STAR BOROUGH	2,500.00	A	02/19/74	12/31/75	FAIRBANKS
71-XXX	D	FAIRBANKS PARK - PHASE I	FAIRBANKS NORTH STAR BOROUGH	40,000.00	A	06/28/74	12/31/75	FAIRBANKS
74-XXX	D	SOUTH FAIRBANKS PARK	FAIRBANKS NORTH STAR BOROUGH	4,500.00	A	05/20/74	12/31/76	FAIRBANKS
75-XXX	D	BLUEBELL PARK DEV.	FAIRBANKS NORTH STAR BOROUGH	5,000.00	A	06/26/74	12/31/76	FAIRBANKS
76-XXX	D	ALLRIDGE PARK DEVELOPMENT	FAIRBANKS NORTH STAR BOROUGH	11,500.00	A	06/28/74	12/31/76	FAIRBANKS
86-XXX	A	HOYES SLOUGH PARK	FAIRBANKS NORTH STAR BOROUGH	149,760.00	C	02/28/75	12/31/76	FAIRBANKS
87-XXX	A	SLATERVILLE PARK	FAIRBANKS NORTH STARBOROUGH	25,740.00	C	03/07/75	12/31/76	FAIRBANKS
01-XXX	D	BIRCH HILL - PHASE 2	FAIRBANKS NORTH STAR BOROUGH	51,500.00	A	01/12/76	12/31/79	FAIRBANKS
07-XXX	D	FAIRBANKS LIONS REC. AREA	FAIRBANKS NORTHSTARBOROUGH	90,000.00	A	04/05/76	12/31/79	FAIRBANKS
08-XXX	D	SLATERVILLE PARK DEVELOPMENT	FAIRBANKS NORTH STAR BOROUGH	7,500.00	A	03/25/76	12/31/77	FAIRBANKS
			COUNTY TOTAL	1,088,121.79				
41-XXX	D	HAINES BOAT HARBOR	DEPARTMENT OF PUBLIC WORKS	4,630.50	C	06/27/67	12/01/67	HAINES

(1)	(2)	(3) PROJECT TITLE	(4) PROJECT SPONSOR	(5) AMOUNT	(6)	(7)APPR	(8)EXP	(9) CNTY NA
17-XXX	D	TLINGET PARK	CITY OF HAINES	32,000.00	A	07/23/76	12/31/79	HAINES
31-XXX	C	CHILKAT STATE PARK	ALASKA DIVISION OF PARKS	2,192,736.02	A	08/25/77	12/31/81	HAINES
41-XXX	A	TLINGIT PARK ACQUISITION	CITY OF HAINES	10,920.00	C	07/26/78	12/31/80	HAINES
			COUNTY TOTAL	2,240,286.52				
08-XXX	D	LENA LOOP RECREATION AREA	GREATER JUNEAU BOROUGH	9,736.33	C	08/31/70	12/31/71	JUNEAU
09-XXX	D	COPE PARK	CITY OF JUNEAU	68,500.00	A	09/16/66	12/31/70	JUNEAU
15-XXX	D	AUKE BAY MOORING FACILITIES	DEPARTMENT OF PUBLIC WORKS	22,500.00	C	12/15/66	06/01/68	JUNEAU
26-XXX	C	SANDY BEACH RECREATION AREA	CITY OF DOUGLAS	142,250.00	C	10/08/69	12/31/71	JUNEAU
76-XXX	D	JUNEAU TRAIL SYSTEM	DIVISION OF PARKS	8,449.00	C	02/07/72	12/31/73	JUNEAU
86-XXX	D	AUKE BAY HARBOR FACILITIES	DIV OF WATER & HARBORS	50,800.00	C	06/16/72	12/31/72	JUNEAU
03-XXX	D	MELVIN PARK	CITY AND BOROUGH OF JUNEAU	25,386.55	C	09/14/72	12/31/73	JUNEAU
17-XXX	D	COPE PARK	CITY AND BOROUGH OF JUNEAU	37,325.30	C	01/29/73	12/31/76	JUNEAU
52-XXX	D	CEDAR PARK - MINI PARK	CITY AND BOROUGH OF JUNEAU	15,000.00	C	07/20/73	12/31/74	JUNEAU
58-XXX	A	BROTHERHOOD PARK	CITY & BOROUGH OF JUNEAU	47,580.00	C	01/08/74	12/31/75	JUNEAU
70-XXX	D	TWIN LAKES REC. AREA	CITY & BOUROUGH OF JUNEAU	81,500.00	A	06/25/74	12/31/79	JUNEAU
84-XXX	D	EAGLE CREST RECREATION AREA	CITY &BOROUGHOF JUNEAU	677,500.00	C	03/14/75	12/31/78	JUNEAU
22-XXX	D	MELVIN PARK PHASE II	CITY/BOROUGH OF JUNEAU	25,000.00	A	11/24/76	12/31/79	JUNEAU
26-XXX	D	MONTANA CREEK MOTORIZED PARK	CITY & BOROUGH OF JUNEAU	53,000.00	A	05/23/77	12/31/79	JUNEAU
34-XXX	D	JUNEAU MARINE PARK	CITY/BOROUGH OF JUNEAU	217,700.00	A	06/12/78	12/31/80	JUNEAU
35-XXX	A	BROTHERHOOD PRK ADDITION	CITY/BOROUGH OF JUNEAU	108,250.00	A	05/08/78	12/31/80	JUNEAU
			COUNTY TOTAL	1,590,477.18				
20-XXX	C	KENAI MUNICIPAL PARK	CITY OF KENAI	53,086.45	C	12/07/66	12/31/70	KENAI-COO
39-XXX	C	CLAM GULCH CAMPGROUND	DEPARTMENT OF NATURAL RESOURCES	44,184.61	C	09/22/67	06/30/71	KENAI-COO
58-XXX	D	SWIFT WATER CAMPER PARK	CITY OF SOLDOTNA	68,149.00	A	07/01/71	12/31/74	KENAI-COO
61-XXX	A	ANCHOR RIVER ACQUISITION	DEPARTMENT OF NATURAL RESOURCES	44,946.00	C	02/16/71	12/31/71	KENAI-COO
62-XXX	C	CAPTAIN COOK RECREATION AREA	DEPARTMENT OF NATURAL RESOURCES	766,805.15	C	04/19/71	12/31/78	KENAI-COO
72-XXX	D	HOMER SPIT DEVELOPMENT	CITY OF HOMER	6,000.00	C	08/13/71	12/31/71	KENAI-COO
73-XXX	D	KENAI MUNICIPAL PARK - PHASE 2	CITY OF KENAI	8,000.00	A	03/18/71	12/31/72	KENAI-COO
97-XXX	D	SOLDOTNA PARK BOAT LAUNCH	CITY OF SOLDOTNA	4,977.72	C	07/20/72	12/31/74	KENAI-COO
15-XXX	D	CUNNINGHAM PARK	CITY OF KENAI	2,093.84	C	12/27/72	12/31/73	KENAI-COO
18-XXX	D	F.A.A. FOOTBALL FIELD	CITY OF KENAI	2,404.92	C	01/04/73	12/31/75	KENAI-COO
19-XXX	D	BEAVER CREEK PARK	CITY OF KENAI	10,080.00	A	12/27/72	12/31/78	KENAI-COO
35-XXX	D	SILVER KING WAYSIDE	DIVISION OF PARKS	72,269.76	C	04/04/73	12/31/76	KENAI-COO
47-XXX	D	COMFFORT STATION	CITH OF KENAI	3,100.00	A	06/11/73	12/31/76	KENAI-COO
55-XXX	C	ARC LAKE	CITY OF SOLDOTNA	11,987.64	C	02/14/74	12/31/75	KENAI-COO
68-XXX	A	SILVER KING EXPANSION	ALASKA STATE DIVISION OF PARKS	29,380.00	C	06/25/69	12/31/75	KENAI-COO
77-XXX	C	BIRCH DRIVE PARK	CITY OF KENAI	5,300.00	A	05/10/74	12/31/78	KENAI-COO
82-XXX	D	KENAI MUNICIPAL PARK EXPANSION	CITY OF KENAI	35,000.00	A	05/17/74	12/31/76	KENAI-COO
02-XXX	D	SOLDOTNA OUTDOOR RECREATION AREA	CITY OF SOLDOTNA	28,109.00	A	12/19/76	12/31/79	KENAI-COO
14-XXX	A	MOOSE RIVER ACQUISITION	ALASKA DEPT. OF FISH AND GAME	65,000.00	C	06/22/76	12/31/78	KENAI-COO
45-XXX	D	CLAM GULCH WAYSIDE EXPANSION	DIVISION OF PARKS	77,700.00	A	06/12/78	12/31/80	KENAI-COO
60-XXX	D	NORTH PENINSULA PARK	NORTH KENAI PENINSULA SERVICE AR	36,400.00	A	04/20/79	12/31/83	KENAI-COO
			COUNTY TOTAL	1,375,014.09				
25-XXX	D	KNUDSON COVE FLOAT FACILITIES	DEPARTMENT OF PUBLIC WORKS	35,000.00	C	12/01/66	10/30/67	KETCHIKAN
36-XXX	D	HOLE-IN-THE WALL	DEPARTMENT OF PUBLIC WORKS	23,100.00	C	10/02/67	05/31/68	KETCHIKAN

(1)	(2)	(3) PROJECT TITLE	(4) PROJECT SPONSOR	(5) AMOUNT	(6)	(7)APPR	(8)EXP	(9) CNTY NA
45-XXX	D	SOUTH TONGASS LAUNCHING	DEPARTMENT OF PUBLIC WORKS	23,140.18	C	11/25/68	06/30/69	KETCHIKAN
89-XXX	D	MUNICIPAL TENNIS COURTS	CITY OF KETCHIKAN	22,236.00	C	05/02/75	12/31/76	KETCHIKAN
			COUNTY TOTAL	103,476.18				
42-XXX	D	KIANA PLAYGROUND	CITY OF KIANA	11,000.00	A	05/25/78	12/31/80	KOBUK
			COUNTY TOTAL	11,000.00				
77-XXX	A	BARANOF PARK	CITY OF KODIAK	23,400.00	C	02/11/72	12/31/73	KODIAK
85-XXX	D	BARANOF PARK RECREATION AREA - PHASE	CITY OF KODIAK	132,000.00	C	06/16/72	12/31/73	KODIAK
54-XXX	D	BARANOF PK REC. AREA PHASE IV	CITY OF KODIAK	89,592.66	C	07/31/73	12/31/74	KODIAK
21-XXX	D	NEIGHBORHOOD PARK AND PLAYGROUNDS	CITY OF KODIAK	75,000.00	C	12/01/76	12/31/78	KODIAK
62-XXX	D	FORT ABERCROMBIE DEVELOPMENT	ALASKA DIVISION OF PARKS	163,030.00	A	06/05/79	12/31/83	KODIAK
			COUNTY TOTAL	483,022.66				
31-XXX	D	NANCY LAKE WAYSIDE	DIVISION OF LANDS	44,000.00	C	09/13/67	12/31/68	MATANUSKA
43-XXX	C	NANCY LAKE RECREATION AREA	DEPARTMENT OF NATURAL RESOURCES	760,739.66	C	09/27/67	12/31/71	MATANUSKA
59-XXX	C	ADDITION TO NANCY LAKE REC. AREA	DEPARTMENT OF NATURAL RESOURCES	321,400.00	C	02/03/71	12/31/73	MATANUSKA
67-XXX	A	RED SHIRT ACQ.	DEPT OF NATURAL RESOURCES	25,000.00	A	01/28/72	12/31/77	MATANUSKA
80-XXX	D	BYERS LAKE CAMPGROUND	DIVISION OF PARKS	139,934.39	C	03/30/72	12/31/74	MATANUSKA
26-XXX	A	NANCY LAKE INHOLDING ACQUISITION	DEPT OF NATURAL RESOURCES	75,000.00	C	12/31/72	12/31/78	MATANUSKA
36-XXX	D	KING MOUNTAIN WAYSIDE	STATE DIVISION OF PARKS	12,735.55	C	03/21/73	12/31/74	MATANUSKA
56-XXX	D	NANCY LAKE MAINTENANCE SITE	DIVISION OF PARKS	194,000.00	C	01/17/74	12/31/77	MATANUSKA
28-XXX	A	DENALI STATE PARK ACQUISITION	STATE PARKS	257,400.00	A	06/16/77	12/31/79	MATANUSKA
			COUNTY TOTAL	1,830,209.60				
06-XXX	D	WAYSIDE IMPROVEMENT	DEPARTMENT OF NATURAL RESOURCES	11,181.55	C	09/16/66	10/01/66	MULTI-COU
57-XXX	D	WAYSIDE WATER SUPPLY	DEPARTMENT OF NATURAL RESOURCES	31,298.23	C	12/10/70	12/31/75	MULTI-COU
43-XXX	D	TRAILS PROGRAM	STATE OF ALASKA	85,052.90	C	06/07/73	12/31/77	MULTI-COU
36-XXX	D	SANITARY FACILITIES	STATE OF ALASKA	50,000.00	A	04/14/78	12/31/80	MULTI-COU
43-XXX	D	DEEP CREEK WAYSIDE	DIVISION OF PARKS	121,500.00	A	05/30/78	12/31/80	MULTI-COU
			COUNTY TOTAL	299,032.68				
44-XXX	D	NINILCHIK WAYSIDE	DIVISION OF PARKS	79,040.00	A	06/05/78	12/31/80	NOME
			COUNTY TOTAL	79,040.00				
48-XXX	D	TENNIS/BASKETBALL COURT	METLAKATLA INDIAN COMMUNITY	15,851.00	A	08/15/78	12/31/79	OUTER KET
			COUNTY TOTAL	15,851.00				
02-XXX	D	BARANOF CASTLE STATE HISTORICAL	DEPARTMENT OF NATURAL RESOURCES	68,500.00	C	02/04/66	10/01/68	SITKA
52-XXX	C	CRESCENT PARK	CITY OF SITKA	232,990.99	C	07/29/70	12/31/72	SITKA
84-XXX	D	MOLLER PARK REC. SITE - PHASE 1	CITY OF SITKA	149,795.00	C	08/15/72	12/31/76	SITKA
37-XXX	D	HALIBUT POINT WAYSIDE	DIVISION OF PARKS	94,134.00	A	04/27/78	12/31/80	SITKA
			COUNTY TOTAL	545,419.99				
44-XXX	D	EAGLE TRAIL WAYSIDE	DEPARTMENT OF NATURAL RESOURCES	37,380.61	C	08/02/68	12/31/70	SOUTHEAST
			COUNTY TOTAL	37,380.61				
75-XXX	D	VALDEZ GLACIER WAYSIDE	DEPT. OF NAT. RESOURCES	94,475.68	C	02/03/72	12/31/75	VALDEZ-CH

UNITED STATES DEPARTMENT OF THE INTERIOR
HERITAGE CONSERVATION & RECREATION SERVICE
TABLE 14: DETAILED LISTING OF GRANTS BY COUNTY

(1)	(2)	(3) PROJECT TITLE	(4) PROJECT SPONSOR	(5) AMOUNT	(6)	(7)APPR	(8)EXP	(9) CNTY NA
48-XXX	D	VALDEZ CITY PARK PHASE 1	CITY OF VALDEZ	91,000.00	C	06/08/73	12/31/79	VALDEZ-CHI
23-XXX	D	BASEBALL DIAMOND	CITY OF VALDEZ	15,000.00	C	01/25/77	12/31/78	VALDEZ-CHI
55-XXX	D	ALPINE WOODS NEIGHBORHOOD PARK	CITY OF VALDEZ	30,000.00	A	03/29/79	12/31/83	VALDEZ-CHI
			COUNTY TOTAL	230,475.68				
59-XXX	D	CITY PARKS	CITY OF NENANA	64,242.00	A	04/20/79	12/31/83	YUKON-KOY
			COUNTY TOTAL	64,242.00				
			STATE TOTAL	18,511,102.65				
			REGION TOTAL	18,511,102.65				
			TOTAL OBLIGATIONS	2,029,759,353.53				

DIRECT COMMUNITY PROJECTS $9,750,3 million OR 52.9%

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF PARKS

DATE: February 28, 1980

Donald D. Lehr, Director
Division of Budget and Management
Office of the Governor

FILE NO. 4205-1

TELEPHONE NO:

SUBJECT: Allocation of $2,442,461.00 FY80 LWCF Funds

FROM: Chip Dennerlein, Director
Division of Parks

Please use the following list of allocations for the above apportionment amount in lieu of the list submitted with request dated February 4, 1980.

The "Unallocated" amount of $66,760.24 will be allocated when projects are submitted.

Project - Participant		Authorization
Chena Rec. Area - Div. of Parks	275,400.00	CHA 113/SLA 78
Playground - Saxman	10,000.00	CHA 113/SLA 78
Chugach Visitor Ctr. - Div. of Parks	225,000.00	CHA 279/SLA 76
Kachemak Acq. - Div. of Parks	100,000.00	CHA 279/SLA 76
Cohoe Wayside - Div. of Parks	37,220.00	CHA 279/SLA 76
Cohoe Wayside - Div. of Parks	125,600.00	CHA 80/SLA 79
Fish Creek Amend. - Mun. of Anch.	126,880.00	CHA 80/SLA 79
Dudley Amend. - Ketchikan	41,093.00	CHA 80/SLA 79
Tlinget Amend. - Haines	2,500.00	CHA 80/SLA 79
Rifle Range - D.F.& G.	75,000.00	CHA 80/SLA 79
Lynnary Park - Mun. of Anch.	75,000.00	CHA 80/SLA 79
Taylor/Tarwater - Mun. of Anch.	175,000.00	CHA 80/SLA 79
Cheney Lake Dev. - Mun. of Anch.	50,000.00	CHA 80/SLA 79
Huffman Park - Mun. of Anch.	235,000.00	CHA 80/SLA 79
Seppala Park - Mun. of Anch.	50,000.00	CHA 80/SLA 79
Outdoor Rec. - Barrow	96,500.00	CHA 80/SLA 79
Nirvana Park - Cordova	56,000.00	CHA 80/SLA 79
Tot Lots - Craig	7,296.29	CHA 80/SLA 79
Recreation Area - English Bay	25,000.00	CHA 80/SLA 79
Sportsfield - Homer	8,695.47	CHA 80/SLA 79
Odiak Rec. Area - Cordova	31,200.00	CHA 80/SLA 79
Mini Park - Kodiak	12,000.00	CHA 80/SLA 79
Tot Lots - Craig	7,203.71	CHA 80/SLA 79
Rabbit Creek - Mun. of Anch.	44,296.29	CHA 80/SLA 79
Clam Gulch - Div. of Parks	34,500.00	CHA 80/SLA 79
Butte Trail - Mat-Su Bor.	14,040.00	CHA 80/SLA 79
Palmer Athletic Fields - Mat-Su Bor.	42,724.00	CHA 80/SLA 79
Huston Camper - Mat-Su Bor.	17,753.00	CHA 80/SLA 79
Lazy Mt. Trail - Mat-Su Bor.	36,244.00	CHA 80/SLA 79
Talkeetna Park - Mat-Su Bor.	12,818.00	CHA 80/SLA 79
Tot Lot - Mat-Su Bor.	2,500.00	CHA 80/SLA 79

Trapper Creek - Mat-Su Bor.	12,142.00	CHA 80/SLA 79
Wasilla Lake - Mat-Su Bor.	46,800.00	CHA 80/SLA 79
Wasilla Townsite - Mat-Su Bor.	15,600.00	CHA 80/SLA 79
Recreation Area - Nome	55,055.00	CHA 80/SLA 79
Recreation Area - Nulato	12,500.00	CHA 80/SLA 79
Aleut Baseball - Port Graham	18,200.00	CHA 80/SLA 79
Neighborhood Park - Valdez	30,000.00	CHA 80/SLA 79
Baseball Field - Wrangell	13,350.00	CHA 80/SLA 79
Recreation Area - Yakutat	99,580.00	CHA 80/SLA 79
Hamilton Park - Mun. of Anch.	20,000.00	CHA 80/SLA 79
Unallocated -	66,760.24	CHA 80/SLA 79
	2,442,461.00	

A JV to set up the amount of $1,665,641.00 in the LWCF apportionment acount (10.46.9.501) is attached. This JV when combined with JV 80-0204 ($414,600.00) and JV 80-0205 ($362,220.00) will equal the total amount received from HCRS for the FY80 apportionment $2,442,461.00. Copy of letter received from HCRS is also attached.

attachment

KMT:das

United States Department of the Interior

HERITAGE CONSERVATION AND RECREATION SERVICE
WASHINGTON, D.C. 20240

IN REPLY REFER TO:
W630

DEC 13 1979

Division of Parks

DEC 18 19[illegible]

Honorable Jay S. Hammond
Governor of Alaska
Juneau, Alaska 99811

Dear Governor Hammond:

It is my pleasure to provide you with a copy of the fiscal year 1980 Certificate of Apportionment of the $300,000,000 appropriated from the Land and Water Conservation Fund for use by the States, Puerto Rico, Virgin Islands, Guam, American Samoa, and the District of Columbia.

Apportionment of these funds is made under the Land and Water Conservation Fund Act of 1965, as amended, and the Act making appropriations for the Department of the Interior and related agencies for fiscal year 1980.

We look forward to continuing the beneficial relationship with you in administration of the Land and Water Conservation Fund and citizens of your State and the country.

Sincerely,

CHRIS T. DELAPORTE

Chris Therral Delaporte
Director

Enclosure

cc: Ms. Terry McWilliams

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER _____

DEPARTMENT _____

ATTENTION Senate Comm. & Regional Affairs

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 2103

DEPARTMENT C+A

BY Lynn Wegener DATE 3/11/80

02-002 (REV.10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB ~~466~~ 446
Title An Act making a special appropriation for construction of a ski jump at Campbell ~~Point.~~
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected N/A
Program Category Affected N/A
BRU, Program, or Subprogram(s) Affected N/A
(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		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Although the cost to administer this one grant is not significant, the cumulative effect of a series of special appropriations to the Department for various projects will create a need for additional personnel.

IV. DATE _____ PREPARED BY Mary Foster
AGENCY Community & Regional Affairs
PHONE 465-4734

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

33-001 (Rev. 12/79)

TO: SENATORS: STURGULEWSKI, KERTTULA, STIMSON, KELLY 3/10/80 4:53

THE FOLLOWING PEOPLE WISH TO SUPPORT SB-446 AND WOULD LIKE TO SEE IT P
ASSED
AS SOON AS POSSIABLE.

JOAN GOODMAN, PRESIDENT NORDIC SKI CLUB OF ANCHORAGE, 8426 E. DUBEN, A
NC.99504
PHONE 333-4329

CHARLES AND GOLDA WHITTIKER, SRA 1433, ANC.99502 344-2456

MRS. KARL EID, SRA 249W, ANC.99507 344-1957

LA11 1871 12.10 JA01 0055 12.10 03/11/80

6

TO SENATORS SUMNER, RODEY, BRADLEY, COLLETTA, STURGULEWSKI, DANKWORTH

FROM KENNETH E. PENDLETON, 4123 CHESS DRIVE, ANCHORAGE 99504 276-588
5

I OFFER MY SUPPORT FOR THE SKI JUMP FACILITY BEING PROPOSED AT KINKAID PARK.

re Business Forms, Inc.

In HB 446

TO SENATOR ARLISS STURGULEWSKI

SB 446

FROM: JOHN CRESS
0541 GREEN HILL WAY
ANCHORAGE, AK 99502 344-7784

ANCHORAGE, ALASKA, IDEALLY SUITEDD FOR OUTDOOR WINTER SPORTS. I AM IN FAVOR OF SB 446. SKI JUMPING IS AN OLYMPIC SPORT. LET US DEVELOP OLYMPIC SPORTS. SKI JUMPING IS A SPECTATOR SPORT. CAN BRING IN REVENUE THROUGH GATE RECEIPTS. IT IS AN EXCITYING ALTERNATIVE FOR ALASKAN YOUTH.

LA11 2192 13.17 JA01 0072 13.17 03/11/80.

6

TO SENATORS SUMNER, RODEY, BRADLEY, COLLETTA, STURGULEWSKI, AND DANKWORTH

SB446

"WE SUPPORT THE PROPOSED SKI JUMP AT KINCAID PARK."

JANICE WATKINS
P.O. BOX 1628
ANCHORAGE, AK 99510 276-0502

JULIA AND ROBERT HARDING
2040 FARMER, #3
ANCHORAGE, AK 99504 333-7494

MARJORIE MCCONNELL
1402 PRIMROSE
ANCHORAGE, AK 99504 274-6832

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

1980 MAR 10 PM 12 50

02052 POM ANCHORAGE ALASKA 15 03-10 1030A AST

PMS SENATOR ARLISS STURGULEWSKI

JUN

I AM IN SUPPORT OF THE SKI JUMP LEGISLATION FOR THE

ANCHORAGE AREA

ANDY ACHILLES SRA BOX 1505-Y ANCHORAGE AK 99507

SB
450

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/13/80

Date: _____

Mr. President:

The Committee on C&RA has ad SB 450

appropriation to the Legislative Council for a study of local options for control of the Fairbanks International Airport

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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] 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:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XVI
Cassettes 1 and 2
Side Number 1 and 2

SENATE C/RA COMMITTEE
Committee

Dates 3/18/80 to

PRESENT: Senators Kelly, Stimson, Rodey, & Chairman Sturgulewski

Bill Numbers Discussed

SB 450	SB 370								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3-18-80 1:30	005	SB 450	Chairman Sturgulewski
	060		Sen. Bettye Fahrenkamp - Supportive
	154		Sen. Kelly
	174		Sen. Rodey
	193		Ronald A. Garzini/Anchorage
	226		Rep. Bettisworth
	283		Sen. Stimson - Move "do pass w/ind. rec."
			No objections
	310	SB 370	Chairman Sturgulewski
	337		Sen. Colletta
	398		Jerry Nerland (Ak. Retail Hom. Assoc/Nerlands Retail Assoc.
	522		Pat McKee, Anchorage Municipality
	574		Brian Shute, Anchorage Attorney
	719		Gordon Zerbetz, APUC Chairman
	800		Sen. Stimson
SIDE 2	019		Warren Cummings/Fairbanks
	162		Jerry Nerland
	194		Sharon Traylor, Div. Bus. Lns/Dept. Commerce & Ec. Develop.
	229		Sen. Kelly

	247	Charles Roth, Jr.
	444	Bill Mears, Dept. of Administration
	511	Lee Sharp, Attorney, City of Juneau
	642	Bob Shirnberg, Ak. Fire Chiefs/ Kenai, Ak.
	734	Sen. Stimson
	759	Sen. Kelly
	792	Gary Crouse, Fire Protection Office/Dept. PUblic Safety
	827	Palmer McCarter
Cassette 2 Side 1	010	Sen. Kelly/ Sharon Traylor; Sec. 4 & 5 (wants scope & implication review Sect. 1 - other alternatives / tax credits??
	227	Sen. Stimson
	256	Adjourned

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE:

LOCATION:

SUBJECT:

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TEST
Clarice Traylor	[illegible]		465-2510	OK	✓
CHAS. ROTH JR.	NASFCA	1695 MANZANITA, N.E. SALEM, ORE. 97303	503/ 390-0452	OK	✓
BILL MEARS	DEPT. ADMIN. RISK MGT.	POUCH "C"	465-2180	OK	X
Gordon Brunton	Dept of Public Safety	Pouch N	465-4331	OK X	
Lee Sharp	City & Borough of Juneau	155 So Seward St	586-3300	OK.	
R.C. Smith	APHA	Anch, AK	344-4384	no X	
Bob Shirnberg	ALASKA FIRE CHIEFS	KENAI AK	283-4389	OK	X
Gary Crouse	State Fire Marshals Off	Pouch "N" Juneau, AK	465-4331	OK	X
OK Bob Bellsworth	Fairbanks	Pouch Y	456-4950	OK.	

SENATE C.&R.A., S.R. 370 - 'FIRE PREVENTION' - WITNESSES

ANCHORAGE

S.G. JERRY NERLAND OK

RONALD A. GARZINI - S.B. 350

GLEN McKEE OK

BRIAN R SHUTE ~~SHOOT~~ OK

Gordon Zerbetz OK.

FAIRBANKS

WARREN CUMMINGS

KETCHIKAN

KENAI PENINSULA

Standing by * ALFRED B. WILLIS

Standing by * ALAN R. PHILLIPS

OBSERVERS THAT MIGHT WANT TO TESTIFY

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Jalmar Kerttula
Senator Mike Colletta
Senator Bettye Fahrenkamp
Senator Brad Bradley
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Butrovich Room 207, Capitol Building

Tuesday, March 11, 1980 - 1:30 p.m.

SB 446 - An Act making a special appropriation to the Department of Community and Regional Affairs for construction of a ski jump; and providing for an effective date.

SB 453 - An Act making a special appropriation to the Fairbanks North Star Borough for the development of a park strip along the Chena River in downtown Fairbanks; and providing for an effective date.

Thursday, March 13, 1980

No Meeting set at this time

Tuesday, March 18, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention.

SB 450 - An Act making an appropriation to the Legislative Council for a study of local options for control of the Fairbanks International Airport; and providing for an effective date.

SB

451

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/18/99

Date: _____

Mr. President:

The Committee on C&RA has had SB 451

establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils

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)

[ ] same title

[X] replace with CS for _____ [X] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back w thout recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXII

SENATE C/RA

Committee

Side Number 1

Present: Senators Kelly, Mulcahy, Rodey, Stimson & Chairman Sturgulewski

Dates 4/3/80 to --

Bill Numbers Discussed

SB 389	SB 451	SB 452	SB 510						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/3/80 1:30	005	SB 389	Chairman Sturgulewski opened meeting
			and brought "CS" before Committee for consideration
	063		Steve Van Sante, Dept. C/RA/ intent of parcel, one
			or more parcels
			Agreed to assist in wording for Letter of Intent
	114		Rodey / moved to pass "CS" do pass w/ rec.
			Bill passed unanimously
	148	SB 451 &	Chairman Sturgulewski brought out "CS"
	200	452	Ruth Allington, Staff to Sen. Fahrenkamp
	225		Sen. Kelly
			Sen. Rodey moved "do pass" with ind. recommendations
	263	SB 510	Chairman Sturgulewski brought out "CS"
	321		Mitch Gravo/ Anchorage Municipality
	333		Sen. Kelly -tax on books & freezing mill rate
	388		Terry Earley, Dept. C/RA
	414		Sen. Rodey moved to pass out with ind. recomm.
			No Objections
	422		Sen. Sturgulewski packet of letters on whole tax
			related concerns - real property sent out....
	458		MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XX1
Cassette 1 & 2
Side Number 1 & 2

SENATE C/RA

Committee

Members present: Chairman Sturgulewski, Kelly, Mulcahy, Stimson
" absent: Senator Rodey

Dates 4/1/80 to --

Bill Numbers Discussed

SB 451	SB 452	SB 370	SB 389	SB 510					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/1/80 1:30 p.	008	SB 451 & 452	Chairman Sturgulewski - gave summary on amendments
	177		Senator Fahrenkamp, sponsor, gave background
	313		Sen. Kelly re SB 451- Why not straight Appropriation?
	393	SB 370	Gary Crouse, Dept. of Public Safety, Fire Prot. Offi
			Sen. Kelly Moved to Pass with individual recommendation. Bill passed out of Committee / Sen. Stimson / Sturgulewski "
	520	SB 389	Jack Chenowith, Legal Office / Sen. Sturgulewski
	619		Terry Earley, Dept. C/RA/ Tax Assessor
	773		J. Chenoweth, Amendment - New amendment giving C/RA ability to determine adj. ext parcels.
Side 2	000		Frank Lee, Sen. Bradley's AA, re parcel/tract
	102		Gary Jenkins, Private Citizen
	206		Carl Haggerup, Private Citizen/ Sen. Sturgulewski
	356	SB 510	Chairman Sturgulewski/ Bill Summary
	391		Jack Chenoweth, Legal Office
	604		Dept. C/RA
	671		Gary Jenkins, Dept. of Revenue
	691		Mitch Gravo, Anchorage Municipality
	833		Pre conditional exemption based on reimbursement Ginny Chitwood, AML - funding- municipality reim.
Cassette 2			Senator Sturgulewski Senator Kelly
	055		Jack Chenoweth, Legal Office- failure to fund over

3:15 p.m. - meeting adjourned

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Senate C/RA

April 1, 1980

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
	Ginny Chitwood	2041 Spenard at	Ak Municipal League
SJO	Mitch Gravo	Pouch G, 650 Anch 99501	Mun of Anch

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

Official Business

March 31, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Mike Colletta
Senator Don Bennett
Senator Brad Bradley
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Frank Ferguson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building, Butrovich Room

Tuesday, April 1, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention

SB 389 - An Act relating to the senior citizens tax exemption

SB 510 - An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date

SB 451 - An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils

SB 452 - An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date.

SB 351 - An Act relating to state aid to local governments; and providing for an effective date

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No CS SB 451
Title An act establishing community sports & recreation facilities grant program
Requested by Senate Community & Regional Affairs Committee Date 3/25/80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	81 FY 80	82 FY 81	83 FY 82	84 FY 83	85 FY 84	86 FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

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

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

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

Administrative costs are presented in fiscal note for SB 452 which funds the Sports and Recreation Facilities Grant Fund.

IV. DATE 4-14-80 PREPARED BY Veronica Clark/Terry L. Earley
AGENCY Community and Regional Affairs
PHONE 465-4700

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

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 451
Title An act establishing community sports & recreation facilities grant program
Requested by Senate Community & Regional Affairs Committee Date 3/25/80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Community Planning Services and Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	81 FY ##6	82 FY ##9	83 FY 8#0	84 FY 8#1	85 FY ##2	86 FY 8#8
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						
POSITIONS	0	0	0	0	0	0
FULL TIME						
PART TIME						
TEMPORARY						

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

Administrative costs are presented in fiscal note for SB 452 which funds the Sports and Recreation Facilities Grant Fund.

IV. DATE 3/25/80 PREPARED BY Veronica Clark/Terry L. Earley
AGENCY Community and Regional Affairs
PHONE 465-4700

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

33-001 (Rev 12/77)

Personal Services			$78,643
Salary:	Public Facilities Planner I (Range 20, 6 person-months)	$17,070	
	Local Government Specialist III (Range 17, 12 person-months)	28,068	
	Accounting Clerk III (Range 10, 6 person-months)	8,640	
	Clerk Typist III (Range 8, 6 person-months)	7,662	
	Benefits @ 28% of base salary	17,203	
Travel			16,000
Contractual			3,000
Commodities			300
Equipment (one-time purchases)			2,000
			$99,943

March 14, 1980

TO: Senator Bettye Fahrenkamp

FROM: Senator Arliss Sturgulewski

RE: SB 451 and SB 452

I appreciated the opportunity to meet with you and other interested parties on your proposed legislation, SB 451 and 452. It seems to me the suggestion of doing some additional field work might be very helpful in the consideration of this legislation and I will lend my support to your efforts to accomplish this.

I would like to give you several areas that you might wish to consider in developing the study format. My office has not received a copy of your correspondence with Ellerbe and it may well be that these items have already been considered in their proposal to you. Several items of concern are as follows:

1. What kind of a mechanism should be set up to resolve differences within the various municipalities located within each of the four regions? If regional sports and recreational facilities councils are set up, what would their role be? The various municipalities would have their own planning function and would not necessarily accept the decisions of an advisory council. Might we be making decisions on a first-come-first-served basis, for example?

2. If regional councils are established, it seems to me we need to define the responsibilities of the councils as well as look at their relationship to local/regional government. ~~Without definition, sports and recreational facilities could cover a very broad range of facilities or improvements~~.

3. What kind of facilities would be eligible for funding? Without definition, sports and recreational facilities could cover a very broad range of facilities or improvements.

4. What entity would contract for construction/own land/take responsibility for operational and maintenance functions?

5. What are operational and maintenance costs of the proposed facilities?

Again, these are just some of the issues that are raised. I would be very happy to work with you as additional information becomes available.

ALASKA

STATE LEGISLATURE

MEMORANDUM

Memo to: Senator Sturgulewski
Chairman, Community and Regional Affairs Committee

From: Ruth Allington
Assistant
Senator Fahrenkamp

Date: March 5, 1980

Re: SB 451, SB 452 relating to sports facilities

Intent - The basic reason for these bills is to allow development of area-wide sports and recreation capabilities. There is a demonstrated need for covered facilities large enough for football games, and able to be adapted to tennis, track, basketball, soccer, and assorted other participant and spectator sports.

Other statutes of a similar nature are on the books. The drawback to the main one, 43.18.400, is that it would provide only up to 50% of the total funding of the facility. Also, it leaves management and administration up to the municipality. Under SB 451 an advisory council is formed. It is anticipated that this mechanism will enable the area-wide concept to be realized, without the problems inherent with a municipality doing the administration, i.e. a borough putting its own preferences above those of a city within the borough, or groups not associated with the municipality.

Although the original concept involved appropriations to individual municipalities, the bill became one of the proverbial Christmas Trees. In order to forstall further add-ons, the concept of using judicial districts was adopted. Two or three facilities within one district are still possible, if the municipalities get together and pool the funds.

It is anticipated that the following amounts will cover the cost of an air-dome of the size necessary in the listed municipalities.

Fairbanks	$12,000,000.
Anchorage	18,000,000.
Southeast	6,000,000.
Northwestern	6,000,000.

(All facilities except Anchorage and Fairbanks would use approximately the same size basis)

As stated in SB 451, the facility council would be responsible for managerial aspects of the facility, including hiring the manager. It is envisioned that the director would be "on-board" at least six months before completion of the project. The councils would prepare the budget for the coming year, for presentation to the legislature as backup for the 50% operating and maintenance cost grants from the state for the first five years. (Note: the wording limiting the state share of operating and maintenance costs to five years was left out of the bill. It will need to be added. It is anticipated that the state will not be involved after the five year initial period.)

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

March 28, 1980

SENATE BILL 451 and SENATE BILL 452

Committee substitutes are being requested denoting the changes marked in the attached SB 451 and SB 452. These two bills are scheduled for a public hearing in our Committee Tuesday, April 1.

The main change from the original bills, is that we are deleting the "council" and that we are adding a further definition of "sports/recreational facility."

Attachment

COUNCILS. Each local sports and recreation facility council shall

(1) hire a general manager for the sports and recreation facility;

(2) encourage broad community use of the sports and recreation facility, including athletic events, trade shows, and craft shows;

(3) prepare an annual budget to be submitted to the legislature for approval of grants of matching operating money for the sports and recreation facility;

(4) acquire necessary money to operate the sports and recreation facility;

(5) perform other duties necessary to the operation of the sports and recreation facility.

Sec. 44.47.400. OPERATING EXPENSES. Within the limits of legislative appropriation for the purpose, the department shall make annual matching grants to a local sports and recreation facility council equal to 50 percent of the estimated reasonable costs of operating the local sports and recreation facility for that year.

Sec. 44.47.410. DEFINITIONS. In AS 44.47.360 - 44.47.410, "municipality" includes a home rule, general law and unified municipality, as defined in AS 29.

Add sport/rec facility definition as ex. 43.18.460

Introduced: 2/18/80
Referred: Community & Regional Affairs and Finance

BY FAHRENKAMP, BRADLEY, COLLETTA, KERTTULA AND FERGUSON

IN THE SENATE

SENATE BILL NO. 451

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils."

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

* Section 1. AS 44.47 is amended by adding new sections to read:

ARTICLE 9. SPORTS AND RECREATION FACILITY GRANTS.

Sec. 44.47.360. SPORT AND RECREATION FACILITY GRANT FUND. (a) There is established in the Department of Community and Regional Affairs the sports and recreation facility grant fund. From legislative appropriations to the fund, the department shall make grants to eligible municipalities for the construction of local sports and recreation facilities.

(b) Within the limits of legislative appropriations for the purpose, the department shall make grants to municipalities equal to the amount of the estimated reasonable costs of planning and construction of municipal sports and recreation facilities.

(c) A grant from the fund shall be made according to an agreement between the commissioner and the municipality receiving the grant. The agreement may include any provision agreed upon by the municipality and the commissioner and shall include the following:

(1) estimates of reasonable costs of planning and constructing a sports and recreation facility as approved by the commissioner

after consultation with the Department of Transportation and Public Facilities;

(2) a schedule of the disbursement of the grant, if, as determined by the commissioner, a grant is to be disbursed other than in one sum;

(3) agreement by the municipality to

(A) proceed with and complete the proposed planning and construction of a sports and recreation facility expeditiously;

(B) not discontinue operation or dispose of all or part of a sports and recreation facility for which it receives a grant without the approval of the commissioner;

(C) provide for the costs of land acquisition or otherwise provide land for the proposed sports and recreation facility.

(d) An application for a grant shall be on a form prescribed by the commissioner.

Sec. 44.47.370. LOCAL SPORTS AND RECREATION FACILITY COUNCILS. For purposes of operating each local sports and recreation facility established in whole or in part with a grant to a municipality under AS 44.47.360, a local sports and recreation facility council shall be established. Each council shall consist of five members residing in the municipality to be served by the facility. The members of a council shall be appointed by the governor to serve a three-year term, and may be reappointed to serve additional terms. Each council shall be incorporated as a nonprofit corporation in accordance with AS 10.20.

Sec. 44.47.380. COMPENSATION AND EXPENSES FOR COUNCIL MEMBERS. Members of a local sports and recreation facility council serve without compensation but are entitled to per diem and travel expenses provided by law for boards and commissions.

Sec. 44.47.390. DUTIES OF LOCAL SPORTS AND RECREATION FACILITY

Introduced: 2/18/80
Referred: Community &
Regional Affairs and Finance

Funding Information
General Fund $42,000,000
Other Funds -0-
$42,000,000

BY THE RULES COMMITTEE
BY REQUEST

IN THE SENATE

SENATE BILL NO. 452

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date."

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

* Section 1. The sum of $42,000,000 is appropriated from the general fund to the Department of Community and Regional Affairs for payment as grants for community sports and recreation facilities ~~to be located in Southcentral Alaska, Southeastern Alaska, Northcentral Alaska, and Central Alaska~~.

* Sec. 2. This Act takes effect on the effective date of a version of an Act entitled "An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils."

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
(907) 465-3712

March 31, 1980

Chip Dennerlein
Director, Division of Parks
Department of Natural Resources
619 Warehouse Drive Suite 210
Anchorage, Alaska 99501

Dear Chip:

Thank you very much for your informative letter regarding SB 451 and SB 452 relating to sports facilities. It is the intent of the sponsor, Bettye Fahrenkamp, to allow development of areawide sports and recreation facilities. I am enclosing her staff memo of March 5, 1980 giving some background information.

Through a contract, Senator Fahrenkamp is having additional work done to establish locations to be covered by the proposed funding, and will undoubtedly adjust the appropriations bill to reflect the new information. Senate Bill 451 is being changed to delete all references to the local sports and recreation facility council. Also to be deleted would be Sec. 44.47.400 dealing with operating expenses. A new section giving a definition for community sports and recreational facilities will be added. The wording will be the same as that reflected in existing statute 43.18.400.

Again, thank you for the information you have provided.

Sincerely,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-H

Enclosure

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR
274-4676

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS

619 Warehouse Dr., Suite 210
Anchorage, Alaska 99501

March 21, 1980

The Honorable Arliss Sturgulewski, Chairman
Senate Committee on Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

During the Legislative Session, the Commissioner's Office forwards to the Division of Parks legislation which may have an impact upon public recreation. I have recently been forwarded a copy of Senate Bill 452, the Sport and Recreational Facility Grant Fund, which is currently in your Committee. After reviewing this proposed legislation I would like to offer the following comments and suggestions.

As currently drafted, SB 452 proposes to establish a $42,000,000 recreational grant fund for local communities. These monies would be passed through the Department of Community and Regional Affairs to local "recreation and sport facility councils" located throughout the State. These local sport and recreation councils would receive and expend the funds as well as continue to maintain recreational facilities once constructed. While wholly supportive of State assistance to communities for outdoor recreation projects and sport facilities, I believe that the current structures proposed in the bill would be duplicative of existing state efforts and could result in confusion for communities regarding outdoor recreation projects.

The Division of Parks currently administers some two and a half to three million dollars annually of Federal monies from the Land and Water Conservation Fund to communities throughout Alaska and to State Park System for the construction of outdoor recreation projects. In addition to these Federal monies, the Division also administers millions of dollars worth of State grant monies for both construction projects within the State Park System and for a broad variety of recreation projects in communities throughout the State. One of the most positive points about SB 452 is that it recognizes the need for the State to assist communities in the construction of such facilities. Federal Land and Water Conservation Fund dollars fund recreation projects on a 50% matching basis. It is necessary for communities who apply for these funds to contribute a 50% match. This is often difficult, especially for small communities in rural Alaska. While the grants staff within the Division of Parks is generally able to assist communities in calculating an "in-kind" match by using of volunteer service and equipment donations, there is often still difficulty in coming up with the full dollar amount required to match Federal assistance. Moreover, the State of Alaska has been able to "land match" recreation projects over the past years. Under this program land which

came to the State via the Statehood Act can be used as a value match for Federal dollars for the purpose of outdoor recreation projects. This means that boroughs and cities which have received further entitlements from the State may use these lands to assist them in matching for recreation dollars. However, the State of Alaska is living on borrowed time under the Land Match Program. Currently, Alaska is the only State in the Union authorized to use land match for the Land and Water Conservation Fund. This policy originated more than ten years ago when Alaska's financial picture did not show a billion dollar surplus. I have been told to expect a "review" of the land match policy by the federal government.

In the past the State has recognized the need to assist local communities in constructing recreation facilities. There has been established in the Statutes a fund known rather tortuously the Outdoor Recreation Open Space and Historic Properties Development Fund (OROS & HPDF). This fund has been available to the State to use in assisting communities to meet half of their required half for Federal dollars to construct recreation projects. Unfortunately, this fund has run dry. As part of our Capital Project suggestions to legislators this year, the Division of Parks suggested appropriating monies for this fund. While our suggestion as to dollar amount has been much lower than the $42 million proposed by SB 452, the concept is quite similar. In addition the Division of Parks has suggested deleting the Federal match requirement in OROS & HPDF so that monies could be passed directly to communities regardless of whether they had applied for federal Land and Water Conservation dollars within a given year.

The grants staff within the Division of Parks has had extensive experience over the past ten years in administering recreation dollars to local communities. Alaska's track record for operating these programs has been excellent. In fact, Alaska is one of the few States within the Union to come through Federal Audits for a period of years without exceptions. Moreover, this State ranks high among the States in its record of obligating and expending pass through monies to communities in a timely fashion and in assisting them in their fiscal management of the programs. Based upon this track record I offer the following suggestions for the Legislation.

There already exists within the State structure a series of Park and Recreation Commissions (PARC). The sport and recreation facility commissions in SB 452 would appear to overlap with the functions of the local PARC's. Moreover, our experience with granting money to non-profit organizations located within municipal governments has been good. We would suggest that the monies be granted to the local government entities and that local park and recreation commissions be used to suggest projects to the local governments. It might be required that the local park and recreation commissions support and endorse those projects for which local governments apply. The program could also be administered by the Division of Parks. The purpose for this is by no means "empire building". All of the monies would be passed through to local governments. And to be quite honest, I have no desire for additional responsibil-

ities in administering grant monies. The reason that I suggest this concept is to avoid creating a new bureaucracy to administer a new recreation fund where inevitable overlaps in responsibilites would occur. It is almost certain that many communities receiving funds from the new sport and recreation facility grant would then try to use those monies to match federal monies which the Division of Parks administers. This makes absolutely good sense. Unfortunately, as we have experienced with grants administered from other agencies, the guidelines and regulations are often different. This is difficult for larger cities to cope with, and creates a veritable nightmare for any communities smaller than Anchorage. Moreover, having witnessed the fate of the OROS & HPD Fund we are concerned that this large appropriation might simply be a one time shot and be whittled away over the next few years never to be funded again. By allowing such a program to be tied to an ongoing federal program such as the Land and Water Conservation Fund, or at least providing for the ability of the Fund to easily dovetail may help sustain the dollars over time.

If there is no desire to place the fund within the Division of Parks or to transfer the money to the OROS & HPD Fund, then I would suggest at least that the word "indoor" be inserted in the purpose for the fund. At least this would avoid the overlap with outdoor recreation projects administered throughout the State by the Division of Parks.

In summary, I wholly support the concept of HB 452. If the intent of HB 452 is to simply fund several major sport facilities projects in major cities, such as the proposed "Project 80's" for the City of Anchorage, the fund may well work without a hitch. However if there is a desire to see a continuing fund which enables communities of all sizes throughout the State to construct and manage recreation facilities, then I believe the suggestions which I have forwarded to you in this letter have merit.

Thank you for your consideration of these observations. Please do not hesitate to call upon me or my grants staff should you have any further questions or wish to follow up on some of the comments which I have made.

Sincerely,

Chip Dennerlein
Director

cc: The Honorable Bob Mulcahy
The Honorable Pat Rodey
The Honorable Tim Kelly
The Honorable Terry Stimson

CD/cw

Alaska State Legislature

REPRESENTATIVE
TERRY MARTIN
DISTRICT 8

3960 REKA DRIVE—86
ANCHORAGE, AK 99504
PHONE (907) 333-2432

DURING LEGISLATURE
POUCH V
STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-4943

Dear Coach:

How many years have you watched youth train for track and field in the hallways of our schools? How many times have you held your breath in anticipation of one of your students getting hurt trying to excel during a track and field event held under such dangerous conditions?

What about football? Isn't it a shame that you and your students put so much effort and time into this great sport and have such a short season? You know as well as I do the advantages of having an indoor football field.

THE TIME IS NOW! Last session I had $25,000 appropriated to do a feasibility study a Mulcahey Park. The findings are most encouraging. For instance, I was informed that the engineers drilled five holes to a depth of 65 feet each and found the ground very stable in that area.

During the interim, as many of you know, I spent many hours developing community support for the indoor sports activity center. I passed out pictures of what other communities, mostly smaller in population than Anchorage, have for sports programs. Such buildings as athletic centers in Flagstaff, Arizona, Montana State, and Moscow, Idaho's Kibby Center are naturals for what we need in Anchorage.

When I left Anchorage to start the session in January, I was sure most of the city's leaders were of the opinion that an indoor track and field and football field was a priority. But, opinions seem to have suddenly changed.

In the past five weeks I have talked to a number of Senators and Representatives and given them a packet similar to the enclosed. There has been a close effort working with them for mutual concerns about sports facilities throughout the state. Fairbanks is working hard for an indoor football field; Kenai wants a large indoor hockey arena; Palmer wants a larger indoor sports facility. There is no doubt that a bill will soon be sponsored for about $60 million for sports facilities. Of this amount, $22 million is appropriated for Anchorage under my insistance to informal groups that our needs, flexibilities, and populations are a top priority.

This may all sound fine, but we do have a major problem. That is, whose priorities should be met first? As you well know, the City Mayor and Assembly have an ad hoc committee pushing for recreational facilities they want to build, known as the Tony Knowles plan. There are major efforts now taking place to get the legislators to use state taxes for a spectator sport center first rather than the above indoor sports activity center described.

I feel our school athletic programs and the community participatory programs should take precedence over the city-sponsored, pro-team programs.

Now what? I need your help. There is no doubt that monies will be appropriated for an Anchorage sports facility this year. Would you be concerned enough to send a Public Opinion Message, (see procedure below), to each of the Anchorage legislators, (also listed below), asking them to appropriate state funds for an indoor football, track and field, and rifle range before using the state taxes for a spectator sports arena.

If you don't act now it could be years before action is taken. Please pass the word to your students and their parents to express their views to their legislator as well as the City Mayor's Office and the City Assembly.

With your help and support I feel that by the fall of 1982, we should see the first indoor football game in Anchorage. And how about the future of our students in track and field? Haven't you been amazed by the degree they excel under such adverse conditions?

Well coach, it's up to you now. I really need your help in starting a ground swell that will see our dream come true. Can I count on you?!

Yours Very Truely,

Terry Martin

TERRY MARTIN
STATE HOUSE OF REPRESENTATIVES
District (8)

PS-You may copy this letter and the enclosed to distribute to other supporters.

/sjb

Joan A. Ray

February 27, 1980

Representative Russ Meekins
Alaska State House of Representatives
Juneau,
Alaska 99801

Dear Russ:

We have prepared the following as an overview of the services we would contribute for sports facilities in Alaska. G & M Associates would provide a team consisting of Ellerbe-Alaska, Korbis Associates, Modern Construction, Inc., and Geiger Berger Associates, to provide the following services to the State of Alaska:

- Goals and Objectives Statement
- Primary design solution for four domed stadiums
- Realistic construction cost estimate
- Specifications for selection of Design-Build Team
- Models of four domed stadiums
- Time Phasing Schedule

Ellerbe-Alaska, local architects, planners and engineers are the premier firm nationally for civic, convention, and sport center facilities. Two outstanding examples of their expertise are the Notre Dame Athletic and Convocation Center and the Lexington Civic Center Arena (Rupp Arena) and Exhibit Hall. In addition, Ellerbe truly understands the design/build concept, and has lengthy local experience.

Korbis Associates is a planning and construction management firm from Pocatello, Idaho. They have worked along with Geiger Berger Associates, constructing engineers, to develop a cost efficient solution to construction of Sports Arenas. Korbis' preliminary estimate for a 210,000 Sq. Ft., 15,000 seat facility for Anchorage is $10,500,000. In addition to his tremendous cost savings forecast in construction, he points out that his solution has potential of up to 47% in energy savings to heat the building. Korbis and Geiger Berger have extensive Alaskan experience.

Modern Construction is the largest Alaskan owned construction company. They specialize in turn-key projects, construction management and design/build projects. The majority of Modern's work has been in the traditional competitive bid market. This experience along with their design/build specialty make them an invaluable part of our team both from a cost estimating and specifications writing stand point.

We feel the team approach best for this project because of the variety of subjects that must be studied, technical problems that must be solved, with critical schedules that must be met to give the State a viable project at the lowest possible, yet realistic, costs, this construction season. We could accomplish all of this by the end of March for an all inclusive fee of fifty thousand dollars ($50,000). I am enclosing herewith some supporting documents for your perusal.

Sincerely,

Joan A. Ray
President

/jcw

xc: Ed Merdes
Gary Bliss

Enclosures

Proposed Budget Appendix B

Prototype [redacted] Recreation Center

Personnel			
1100 - Center Director - Range 12 Non-AMEA			$20,624.00
Center Night Manager - Range 11 AMEA			18,700.00
Center Assistant Manager - Range 10 AMEA			16,957.00
Recreation Attendents - Range 6 AMEA 3 Positions Monday - Sunday (20 hours per week)			$26,784.00
Salaries and Wages		Total	$83,065.00
1200 - Over time 100 hours X $12 per hour		Total	$ 1,200.00
1300 - Differential	$1,870.00		
Night Manager	657.00		
		Total	$ 2,527.00
1400 - Benefits			$24,920.00
Total Personnel Services			$111,712.00
Supplies			
2100 - Office Supplies			$ 250.00
2200 - Operating Supplies			1,500.00
Other Services and Charges			
3100 - Professional Services			--0-
3200 - Communication			600.00
3302 - Transportation - Mileage			2,000.00
3400 - Insurance			2,650.00
3600 - Repairs and Maintenance			2,500.00
3700 - Rentals			2,000.00
3800 - Miscellaneous			
3802 - Publicity			300.00
3806 - Training			700.00
3808 - Health Department Permit			100.00
		Total	$ 10,850.00
Direct Organizational Costs:			$124,312.00

Intergovernmental Charges:

Building Maintenance	$ 42,000.00
Custodial	68,800.00
Building Space Management	38,740.00
Personnel	1,585.00
Payroll	1,000.00
General Accounting	6,000.00
Accounts Payable	3,000.00
Purchasing	1,000.00
Cash Management	400.00
Forms Management	100.00
Duplications	2,500.00
Electronics	1,320.00
Parks and Recreation Administration	7,500.00
Function Cost	$173,945.00
Total Function Cost	$298,257.00

9. Operation and Maintenance Costs: It is expected that operation and maintenance will entail the expenditure of approximately $300,000 per year. In Table II operation and maintenance figures are shown (see Appendix B for anticipated costs.)

TABLE II
ESTIMATED OPERATION AND MAINTENANCE COSTS

Personnel (facility director, facility night manager, facility assistant manager, part-time recreation specialist, one part-time and four full time recreation attendants)	$111,712
Organizational Costs (supplies, communication, publicity, etc.)	12,600
Function and Maintenance (building maintenance, custodial, space management, intragovernmental charges)	173,945
TOTAL	$298,257

The following goal has been adopted by the subcommittee. FIFTY PERCENT OF OPERATION AND MAINTENANCE COSTS WILL BE PAID FOR BY THE USERS OF THE FACILITY. To accomplish this, fees could be collected for each use on a membership basis (e.g. quarterly or annually). As an alternative to user fees, it is proposed that a system of voluntary service in the operation of the facility be made available for those people who do not wish to pay for operation and maintenance. It is proposed that a management plan be developed for meeting such expenditures.

In drafting the management plan, the alternative of contractual services for the operation and maintenance of the recreation facilities should be seriously considered. The cost figures, shown in Table II, are projected according to Municipal salary and operating expenses: they are used for estimating purposes only. The committee anticipates that there may be considerable cost savings in operation and maintenance expenses under a contractual arrangement.

8. Capital Costs: Based on estimates for each component of the prototype facility and associated costs (e.g. architectural fees), it is projected that each facility would cost approximately $3.8 million (1979 dollars). In Table I the estimated costs of the prototype facility are presented.

from T. Martin

TABLE I
ESTIMATED COST OF PROTOTYPE FACILITY

Component	Size (ft.)	(No.) Sq. Ft.	Cost/ Sq. Ft.	Cost
Gymnasium (84' x 94' x 50' height, 4 playing basketball courts)	105 X 78	8,190	90	$737,100
Showers, Lockers	-	900(2)	124	223,200
Racquetball/ Handball	46 X 23	1,058(4)	100	423,200
Weight Lifting Room	30 X 25	900	90	81,000
Dance/Gymnastics/Etc.	30 X 45	1,350	90	121,500
Multi-purpose Room	30 X 45	1,350	90	121,500
Arts and Craft Space	-	2,500	90	225,000
Active Game Room	20 X 30	600	90	54,000
Indoor Jogging Track	160 Yards	-	-	200,000
Children's Playroom	20 X 30	600	100	60,000
Necessary Costs				
a. Office/ First Aid	15 X 25	375	93	34,875
b. Corridors, etc.	-	6,000	85	425,000
c. Storage	-	1,500	75	112,500
d. Mechanical Room	20 X 30	600	75	45,000
Subtotal		29,997		2,863,875
Other Costs				
Architectural Fees (@ 4% of Subtotal)				$ 114,555
Site Preparation (@ 4% of Subtotal)				114,555
Landscaping (@ 1% of Subtotal)				28,639
Interfund (@ 9% of Subtotal)				257,749
Equipment (@ 5% of Subtotal)				143,194
Art in Public Places (@ 1% of Subtotal)				28,639
Contingency (@ 5% of Subtotal)				143,194
Parking (200 spaces @ $428 ea.)				85,600
TOTAL				$ 3,779,400

For Senator Betty

from Terry Martin

CITY OF KETCHIKAN

334 FRONT STREET P. O. BOX 7300 TELEPHONE 907 225-3111

March 4, 1980

Senator Arliss Sturgulewski, Chair
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

At the last regular meeting the Ketchikan Parks and Recreation Board reviewed Senate Bills No. 451 and 452 and would like to urge you to support these pieces of legislation. As a board we have two concerns that we would like addressed before the bill is sent back to the Senate for passage. The concept of a local sports and recreation facility council is excellent, however, we question the need for members of the council to be appointed by the Governor and feel that this could be more appropriately done at the local level.

Our other concern is that the definition of "municipality" include home rule cities, such as Ketchikan, as well as unified municipalities.

We thank you for your consideration and look forward to the passage of these bills.

Sincerely,

Susan Dickinson

Susan Dickinson, Chair
Parks and Recreation Board

cc: James Van Altvorst, City Manager
Jane Boubel, Parks and Recreation Director
Ketchikan City Council
Parks and Recreation Board members

GREATER SOLDOTNA CHAMBER OF COMMERCE

City of Opportunity

P. O. BOX 236 SOLDOTNA, ALASKA 99669

RESOLUTION 80-3

A RESOLUTION BY THE GREATER SOLDOTNA CHAMBER OF COMMERCE REQUESTING THE ALASKA STATE LEGISLATURE TO PROVIDE CONSTRUCTION FUNDING FOR THE CENTRAL PENINSULA SPORTS CENTER PROJECT OF THE KENAI PENINSULA.

WHEREAS, the Central Peninsula Sports Center is a multi-purpose facility that provides a setting for a large variety of sports functions and events, and

WHEREAS, the multi-purpose nature of the structure makes it suitable for other functions as civic events, conventions, and concerts, and

WHEREAS, the main feature of the facility is an ice rink that is easily convertible to multi-use floor space, and

WHEREAS, all ice-related events including hockey are presently held outdoors, often under severe and unpredictable weather conditions, and

WHEREAS, ice related activities have become popular and involves many individuals of all ages throughout the Kenai Peninsula, and

WHEREAS, the operation and maintenance of the completed facility will be contracturally assumed by the Kenai Peninsula Hockey Association, and

WHEREAS, the Kenai Peninsula Hockey Association, a non-profit community organization, has a solid, unsubsidized, 8 year operational record, and

WHEREAS, the organization's impressive record includes setting team schedules, furnishing coaches, furnishing all gear and equipment, schooling coaches and referees, transporting players to games and tournaments, paying everyone's insurance, and offering an annual $1,000 scholastic award.

NOW, THEREFORE BE IT RESOLVED THAT the Greater Soldotna Chamber of Commerce requests the Alaska State Legislature to provide construction funding for the Central Peninsula Sports Center since there exists a pressing need for a Kenai Peninsula multi-purpose facility, and since a responsible, non-profit community organization also exists for its operation and management.

BE IT FURTHER RESOLVED THAT the Greater Soldotna Chamber of Commerce send copies of this resolution to Mr. Jay Hammond, Governor of the State of Alaska; Mr. Clem Tillion, District 13 Senator, and President of Alaska Senate; Mr.

GREATER SOLDOTNA CHAMBER OF COMMERCE

City of Opportunity

P. O. BOX 236 SOLDOTNA, ALASKA 99669

RESOLUTION 80-3
(continued)

John Sackett, Chairman, Finance Committee, Alaska Senate; Mr. Russ Meekins, Jr., Chairman, Finance Committee, Alaska House of Representatives; Mr. Hugh Malone and Mr. Pat O'Connell, District 13 Representatives, Alaska House of Represenatives; and Mrs. Margaret Branson, District 5 Representative, Alaska House of Representatives.

Adopted this 29th day of January, 1980.

Justin Meeks
President

Barbara Erickson
Secretary

FAIRBANKS OFFICE
Edward A. Merdes
Grace Berg Schaible
Howard Staley
Dennis E. Cook
Barbara L. Schuhmann
Robert B. Groseclose
Charles D. Silvey, Jr.
Michael C. Geraghty

LAW OFFICES OF
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A PROFESSIONAL CORPORATION
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Stephen S. DeLisio
Alan Sherry
Henry J. Camarot
Mark A. Sandberg
Randolph W. Hunter
Joseph M. Moran
Patricia L. Zobel
Walter J. Scmdlo

February 27, 1980

The Honorable Arliss Sturgulewski
Senator, State of Alaska
Pouch V
Juneau, Alaska 99811

Re: Senate bills 451 and 452
Community Athletic Centers

Dear Arliss·

Would appreciate your personal support of the enclosed two bills which authorize and fund the construction of four community teflon-roofed athletic, recreation and performing arts facilities in each of the four judicial districts.

Enclosed is a photograph of a North Dakota facility and in addition a self-explanatory letter from John Korbis of Pocatello, Idaho, a person I have known for many years, who designed and built these all over the country. I would really like your committee to promptly act on these bills and you can be assured of my unstinted all-out cooperation.

Am wondering if you would be kind enough to schedule a hearing, if one is necessary, for I know there is extensive statewide support for these relatively inexpensive structures which Alaskans so desperately need during their cold winters and rainy summers.

Sincerely,

Edward A. Merdes

EAM/gj
Enclosures

cc: Fahrenkamp

THE CENTRAL PENINSULA SPORTS CENTER
- and the -
KENAI PENINSULA HOCKEY ASSOCIATION, INC.

The Kenai Peninsula Hockey Association is a non profit corporation registered in the State of Alaska with a certificate of exemption under Section 501 (C)(3) of the Internal Revenue Code.

The corporation was formed in 1972 to develop, administer and promote ice hockey, figure skating, and other related sports, recreational activities and facilities for the Kenai Peninsula.

The Association is currently operating four outdoor ice arenas, two within the City of Kenai and two in Soldotna, providing under contract with the Kenai Peninsula Borough daily rink maintenance for youth, high school, and senior hockey, school and public skating programs.

The Association's affairs and programs are under the direction of a 14 member board of directors elected by and from its 226 members. Officers are elected each year by the board.

Youth hockey and recreational skating are growing sports here on the Central Peninsula as they are elsewhere in the State. Currently a total of 190 boys and girls between the ages of four and 14 are registered in the Association's youth hockey program and increasing use of rink facilities for the general skating purposes of school children and the general public will require the construction of several more outdoor rinks next year.

To date, participation in youth hockey has reflected a 375 percent increase in the eight years since the Association was formed and an average annual growth rate of 42 percent. Such growth will continue in a uniform manner. By 1982, there will be between 275 and 300 boys and girls in the program and playing on the Association's outdoor rinks.

Though healthy and growing, ice skating programs are being severely handicapped and constrained by the inconsistancies of winter weather here on the Peninsula, suffering extended shut downs each year by mild and rainy conditions, severe cold and heavy snows on the unprotected rinks. These same conditions discourage greater participation.

It is conservatively estimated that, given the controlled conditions of an indoor arena as proposed by this Associations planned CENTRAL PENINSULA SPORTS ARENA, in excess of 500 Central Peninsula boys and girls would now be participating in youth hockey alone with several hundred more from the Homer and other Peninsula community areas.

Adequate facilities for youth, high school and senior hockey, figure skating, and the other sports and recreational uses of skatable ice are the principal objective behind the Kenai Peninsula Hockey Association's effort to attract State financing for the construction of a proper enclosed ice arena for the Kenai Peninsula. However, the Association is also concerned for the many other sports, recreational and community needs for indoor facilities and a number of these uses are designed into the plans for the CENTRAL PENINSULA SPORTS ARENA.

The current design for the CENTRAL PENINSULA SPORTS ARENA provides facilities useable for track and field training, pre-season youth baseball practice, basketball, tennis, indoor soccer, volley ball, etc. with space accomodation for adding handball courts, weight and exercise rooms, and other training facilities. The sport of curling will be introduced through the use of the existing rink ice with curling rinks added on to the structure when separate facilities are warranted.

The CENTRAL PENINSULA SPORTS ARENA will also readily accomodate many of the Peninsula's community needs for a large enclosed structure. As designed, the building will easily accomdate conventions, sport and boat, trade and other shows, community dinners, dances, concerts and other attractions for large audiences and gatherings.

The Kenai Peninsula Hockey Association is a fiscally sound and well managed organization, directed and supported by leading business and community leaders. It has wide public support and is well equipped to direct and manage the construction and operation of a sports and community complex of the magnitude of the CENTRAL PENINSULA SPORTS ARENA.

Copies of the corporation's budgets and finance reports for the past three years are attached as are the projected annual income and operating costs for the CENTRAL PENINSULA SPORTS ARENA. Cost estimates were developed as based on the experience of the Ben Boeke Arena in Anchorage and the counsel of Boeke Arena manager John Rodda. Income projections are considered realistic for the first two years of operation and will will increase in subsequent years with growing use of the facilities.

The CENTRAL PENINSULA SPORTS ARENA complex is, as its name reflects, central to the Kenai Peninsula and readily accessible for the year around use of the Peninsula's 26,000 population and the hundreds of thousands of Alaskans who travel here each year for sports and recreational purposes.

We respectfully request your consideration and support for the State funding needed to build the CENTRAL PENINSULA SPORTS ARENA.

For further information, please contact:

GEORGE FRIENDSHUH
Arena Project Director
Kenai Peninsula Hockey Association
P.O. Box 1864
Soldotna, Alaska 99669
Telephone - 262-5879(office)
262-4923(resid.)

- O R -

MORRIS REDFORD
President
Kenai Peninsula Hockey Association
(same address as above)
Telephone - 262-4713 (residence)

KORBIS ASSOCIATES
PLANNING & CONSTRUCTION MANAGEMENT
1420 JUNIPER DRIVE
POCATELLO, IDAHO 83201
(208) 232-8248

December 26, 1979

Mr. Edward A. Merdes, Esq.
300 Barnette Street
Post Office Box 810
Fairbanks, Alaska 99707

JAN 29 19[illegible]
MERDES, SCHAIBLE, STALEY
AND DeLISIO, INC.

Dear Ed:

It was truly a pleasure to hear from you recently. I believe I last communicated with you in August of 1974. I have thought of you and the Anchorage study I participated in for your group many times these past few years and it is comforting to know that old friends are well and still working in the public interest. I am sure you are aware that President Davis has departed Idaho State University and is now President of the University of New Mexico at Albequerque. I visited with him a couple of months ago and he is doing well. I think I mentioned to you that I have also left the University as a full-time employee; I work only as a planning and development consultant for them. I am also working as a planning and construction consultant for the State of Idaho, through the Department of Administration and Public Works. I have been working as an independent consultant since July 1, 1979. I have recently completed a large solar water heating project at the University and have actively participated in several large geothermal projects. Since I saw you last, I have also completed a 10 million dollar

construction management, fast track manufacturing facility project for Tupperware Industries in Hemingway, South Carolina.

In response to your request, I have been in contact with Dr. Dave Geiger and he has sent me most of the updating information I needed to adequately respond to your inquiry. I am enclosing a copy of "Fabric Structures in Cold Regions" prepared by Geiger Berger Associates in 1977 for the U.S. Army Research and Engineering Laboratory. You will note that the study was made using Valdez, Anchorage, Big Delta (Ft. Greenley) and Barrow as test models. The study confirms the conclusions we made in 1974. It also is surprising to find the "Energy Cost Comparison Model" is considerably more promising than our conclusions in 1974. The study shows a 46% energy savings over conventional buildings and will be a very valuable design tool for any future construction in Alaska and should help in saving a lot of money in HVAC systems and for projecting energy costs much more accurately.

In analysing your suggestions, I understand that four (4) facilities are needed as follows:

Juneau	-	5,000 seats
Kenai	-	5,000 seats
Fairbanks	-	10,000 seats
Anchorage	-	15,000 seats

All of the facilities would be multi-purpose, capable of accommodating:

(1) General recreation, which could include jogging and running

track, tennis, handball/racquetball, conditioning rooms, etc.;

(2) Basketball;

(3) Football;

(4) Softball; marginal baseball;

(5) Soccer; hockey;

(6) Cultural activities; and etc.

In using the term "marginal baseball" I refer to the high cost of ceiling clearance, seating configuration and adequate outfield distances. Until preliminary plans and costs are determined, I would suggest that perhaps the smaller facilities such as Juneau and Kenai would not be cost effective if designed for baseball as required by NCAA or semi-pro baseball.

I am also enclosing a brochure developed by Dr. Geiger called "Engineering Design of Sports Facilities" which shows past, present and projected costs of air-supported, cable restrained roof systems. I firmly believe that the most economical design in first cost and life cycle maintenance and operational costs for your projects is the <u>air-supported, cable restrained system</u> developed by Geiger Berger Associates. This system incorporates natural earth berms, which utilizes on-site materials and enhances visual environment, saves energy and reduces wind pressures on the structure. From the viewpoint of life safety code and seismic compatibility, it appears this structural system is most logical. Aside from the roof capsule, all other major structural and architectural materials, construction methods, equipment, tools

and manpower are locally available, which is not only cost effective but also good local economics; also, citizen participation is the primary factor in the future success of these facilities. Alternate structural systems are also possible, such as rigid steel frames, tension structures and thin shelled concrete; however, these systems are much more costly given seismic design requirements and life safety code. The principal rationale in favor of the air-supported superstructure is the life cycle costs given a 50 year maintenance and operation model.

I have computed a cost model using the Dakota Dome in Vermillion, South Dakota, using a weighted average of +40% for construction in Alaska and adding 15% for inflation rate through July, 1980, for fixing construction costs and have calculated a construction cost at the four (4) Alaska sites for July, 1980, at $47.65 per square foot. I have added a construction contingency figure of approximately 5% which results in a cost of $50.00 per square foot as a realistic estimate for construction in Alaska in mid 1980.

The above figures do not include cost of land or unusual site conditions, but do include adequate final finishes for a usuable facility at the end of construction. I believe that if the four facilities were packaged for the planning, design and roof structure, that the economics of scale would reduce these costs significantly. The resultant estimates follow:

1. Juneau	-	75,000 sq. ft. =	3,750,000.00
2. Kenai		75,000 sq. ft. =	3,750,000.00

3. Fairbanks - 140,000 sq. ft. = 7,000,000.00

4. Anchorage - 210,000 sq. ft. = 10,500,000.00

$25,000,000.00

The above costs of course do not include planning and preliminary design criteria, but do reflect an average cost per seat or per square foot of similar facilities in the lower 48. Until functional planning, community input and specific site information is available, these costs could vary as much as plus or minus 10%. I would also like to refer you to my letter of May 7, 1974, Cost Model Mini-Astrodomes, Page 2, in which our estimated cost for the similar Anchorage project was approximately $30 per square foot, not including design fees, construction manager or contingency. If that $30 per square foot figure were adjusted by 1% per month it results in a projected construction cost today of $50 per square foot for January 1, 1980.

In conclusion I would like to restate my position regarding superstructures with roof spans exceeding 250 feet. I personally feel that in seismic zones 3 and 4 that rigid frame structures are unsafe and if designed to meet these codes are too costly. The air-supported, cable restrained structure, because of it's light weight and ability to deform under extreme stress, is safe and economical. The state of the Art is now well developed and given the earth population growth of 1 million persons every five days or 73 million additional humans on the planet every

year these structures are the "wave of the future" for most of mankind's environmental needs. The rapid depletion of our finite minerals and metals will require new efforts to conserve these resources as well as the conservation of energy and capital. Studies are now underway to cover an entire new city in Canada and here in the Intermountain area we are looking at covering 20 acre regional shopping centers next year.

I have contacted Dr. Dave Geiger and we are both willing to work with you and the State of Alaska in pursuing these projects. We are of course both busy and committed to existing clients and do suggest that requests for our services have adequate lead time so we can meet your time requirements.

If I can be of further service, please let me know.

Best wishes.

Respectfully submitted,

John J. Korbis

Enclosures (2)

THE CENTRAL PENINSULA SPORTS CENTER
- and the -
KENAI PENINSULA HOCKEY ASSOCIATION, INC.

The Kenai Peninsula Hockey Association is a non profit corporation registered in the State of Alaska with a certificate of exemption under Section 501 (C)(3) of the Internal Revenue Code.

The corporation was formed in 1972 to develop, administer and promote ice hockey, figure skating, and other related sports, recreational activities and facilities for the Kenai Peninsula.

The Association is currently operating four outdoor ice arenas, two within the City of Kenai and two in Soldotna, providing under contract with the Kenai Peninsula Borough daily rink maintenance for youth, high school, and senior hockey, school and public skating programs.

The Association's affairs and programs are under the direction of a 14 member board of directors elected by and from its 226 members. Officers are elected each year by the board.

Youth hockey and recreational skating are growing sports here on the Central Peninsula as they are elsewhere in the State. Currently a total of 190 boys and girls between the ages of four and 14 are registered in the Association's youth hockey program and increasing use of rink facilities for the general skating purposes of school children and the general public will require the construction of several more outdoor rinks next year.

To date, participation in youth hockey has reflected a 375 percent increase in the eight years since the Association was formed and an average annual growth rate of 42 percent. Such growth will continue in a uniform manner. By 1982, there will be between 275 and 300 boys and girls in the program and playing on the Association's outdoor rinks.

Though healthy and growing, ice skating programs are being severely handicapped and constrained by the inconsistancies of winter weather here on the Peninsula, suffering extended shut downs each year by mild and rainy conditions, severe cold and heavy snows on the unprotected rinks. These same conditions discourage greater participation.

It is conservatively estimated that, given the controlled conditions of an indoor arena as proposed by this Associations planned CENTRAL PENINSULA SPORTS ARENA, in excess of 500 Central Peninsula boys and girls would now be participating in youth hockey alone with several hundred more from the Homer and other Peninsula community areas.

Adequate facilities for youth, high school and senior hockey, figure skating, and the other sports and recreational uses of skatable ice are the principal objective behind the Kenai Peninsula Hockey Association's effort to attract State financing for the construction of a proper enclosed ice arena for the Kenai Peninsula. However, the Association is also concerned for the many other sports, recreational and community needs for indoor facilities and a number of these uses are designed into the plans for the CENTRAL PENINSULA SPORTS ARENA.

The current design for the CENTRAL PENINSULA SPORTS ARENA provides facilities useable for track and field training, pre-season youth baseball practice, basketball, tennis, indoor soccer, volley ball, etc. with space accomodation for adding handball courts, weight and exercise rooms, and other training facilities. The sport of curling will be introduced through the use of the existing rink ice with curling rinks added on to the structure when separate facilities are warranted.

The CENTRAL PENINSULA SPORTS ARENA will also readily accomodate many of the Peninsula's community needs for a large enclosed structure. As designed, the building will easily accomdate conventions, sport and boat, trade and other shows, community dinners, dances, concerts and other attractions for large audiences and gatherings.

The Kenai Peninsula Hockey Association is a fiscally sound and well managed organization, directed and supported by leading business and community leaders. It has wide public support and is well equipped to direct and manage the construction and operation of a sports and community complex of the magnitude of the CENTRAL PENINSULA SPORTS ARENA.

Copies of the corporation's budgets and finance reports for the past three years are attached as are the projected annual income and operating costs for the CENTRAL PENINSULA SPORTS ARENA. Cost estimates were developed as based on the experience of the Ben Boeke Arena in Anchorage and the counsel of Boeke Arena manager John Rodda. Income projections are considered realistic for the first two years of operation and will will increase in subsequent years with growing use of the facilities.

The CENTRAL PENINSULA SPORTS ARENA complex is, as its name reflects, central to the Kenai Peninsula and readily accessible for the year around use of the Peninsula's 26,000 population and the hundreds of thousands of Alaskans who travel here each year for sports and recreational purposes.

We respectfully request your consideration and support for the State funding needed to build the CENTRAL PENINSULA SPORTS ARENA.

For further information, please contact:

GEORGE FRIENDSHUH
Arena Project Director
Kenai Peninsula Hockey Association
P.O. Box 1864
Soldotna, Alaska 99669
Telephone - 262-5879(office)
262-4923(resid.)

- O R -

MORRIS REDFORD
President
Kenai Peninsula Hockey Association
(same address as above)
Telephone - 262-4713 (residence)

GREATER SOLDOTNA CHAMBER OF COMMERCE

City of Opportunity

P. O. BOX 236 SOLDOTNA, ALASKA 99669

RESOLUTION 80-3

A RESOLUTION BY THE GREATER SOLDOTNA CHAMBER OF COMMERCE REQUESTING THE ALASKA STATE LEGISLATURE TO PROVIDE CONSTRUCTION FUNDING FOR THE CENTRAL PENINSULA SPORTS CENTER PROJECT OF THE KENAI PENINSULA.

WHEREAS, the Central Peninsula Sports Center is a multi-purpose facility that provides a setting for a large variety of sports functions and events, and

WHEREAS, the multi-purpose nature of the structure makes it suitable for other functions as civic events, conventions, and concerts, and

WHEREAS, the main feature of the facility is an ice rink that is easily convertible to multi-use floor space, and

WHEREAS, all ice-related events including hockey are presently held outdoors, often under severe and unpredictable weather conditions, and

WHEREAS, ice related activities have become popular and involves many individuals of all ages throughout the Kenai Peninsula, and

WHEREAS, the operation and maintenance of the completed facility will be contracturally assumed by the Kenai Peninsula Hockey Association, and

WHEREAS, the Kenai Peninsula Hockey Association, a non-profit community organization, has a solid, unsubsidized, 8 year operational record, and

WHEREAS, the organization's impressive record includes setting team schedules, furnishing coaches, furnishing all gear and equipment, schooling coaches and referees, transporting players to games and tournaments, paying everyone's insurance, and offering an annual $1,000 scholastic award.

NOW, THEREFORE BE IT RESOLVED THAT the Greater Soldotna Chamber of Commerce requests the Alaska State Legislature to provide construction funding for the Central Peninsula Sports Center since there exists a pressing need for a Kenai Peninsula multi-purpose facility, and since a responsible, non-profit community organization also exists for its operation and management.

BE IT FURTHER RESOLVED THAT the Greater Soldotna Chamber of Commerce send copies of this resolution to Mr. Jay Hammond, Governor of the State of Alaska; Mr. Clem Tillion, District 13 Senator, and President of Alaska Senate; Mr.

GREATER SOLDOTNA CHAMBER OF COMMERCE

City of Opportunity

P. O. BOX 236 SOLDOTNA, ALASKA 99669

RESOLUTION 80-3
(continued)

John Sackett, Chairman, Finance Committee, Alaska Senate; Mr. Russ Meekins, Jr., Chairman, Finance Committee, Alaska House of Representatives; Mr. Hugh Malone and Mr. Pat O'Connell, District 13 Representatives, Alaska House of Represenatives; and Mrs. Margaret Branson, District 5 Representative, Alaska House of Representatives.

Adopted this 29th day of January, 1980.

Justin Ward

President

Barbara Erickson

Secretary

CITY OF KETCHIKAN

334 FRONT STREET P. O. BOX 7300 TELEPHONE 907 225-3111

March 4, 1980

Senator Arliss Sturgulewski, Chair
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

At the last regular meeting the Ketchikan Parks and Recreation Board reviewed Senate Bills No. 451 and 452 and would like to urge you to support these pieces of legislation. As a board we have two concerns that we would like addressed before the bill is sent back to the Senate for passage. The concept of a local sports and recreation facility council is excellent, however, we question the need for members of the council to be appointed by the Governor and feel that this could be more appropriately done at the local level.

Our other concern is that the definition of "municipality" include home rule cities, such as Ketchikan, as well as unified municipalities.

We thank you for your consideration and look forward to the passage of these bills.

Sincerely,

Susan Dickinson

Susan Dickinson, Chair
Parks and Recreation Board

cc: James Van Altvorst, City Manager
Jane Boubel, Parks and Recreation Director
Ketchikan City Council
Parks and Recreation Board members

Joan A. Ray

February 27, 1980

Representative Russ Meekins
Alaska State House of Representatives
Juneau,
Alaska 99801

Dear Russ:

We have prepared the following as an overview of the services we would contribute for sports facilities in Alaska. G & M Associates would provide a team consisting of Ellerbe-Alaska, Korbis Associates, Modern Construction, Inc., and Geiger Berger Associates, to provide the following services to the State of Alaska:

- Goals and Objectives Statement
- Primary design solution for four domed stadiums
- Realistic construction cost estimate
- Specifications for selection of Design-Build Team
- Models of four domed stadiums
- Time Phasing Schedule

Ellerbe-Alaska, local architects, planners and engineers are the premier firm nationally for civic, convention, and sport center facilities. Two outstanding examples of their expertise are the Notre Dame Athletic and Convocation Center and the Lexington Civic Center Arena (Rupp Arena) and Exhibit Hall. In addition, Ellerbe truly understands the design/build concept, and has lengthy local experience.

Korbis Associates is a planning and construction management firm from Pocatello, Idaho. They have worked along with Geiger Berger Associates, constructing engineers, to develop a cost efficient solution to construction of Sports Arenas. Korbis' preliminary estimate for a 210,000 Sq. Ft., 15,000 seat facility for Anchorage is $10,500,000. In addition to his tremendous cost savings forecast in construction, he points out that his solution has potential of up to 47% in energy savings to heat the building. Korbis and Geiger Berger have extensive Alaskan experience.

Modern Construction is the largest Alaskan owned construction company. They specialize in turn-key projects, construction management and design/build projects. The majority of Modern's work has been in the traditional competitive bid market. This experience along with their design/build specialty make them an invaluable part of our team both from a cost estimating and specifications writing stand point.

We feel the team approach best for this project because of the variety of subjects that must be studied, technical problems that must be solved, with critical schedules that must be met to give the State a viable project at the lowest possible, yet realistic, costs, this construction season. We could accomplish all of this by the end of March for an all inclusive fee of fifty thousand dollars ($50,000). I am enclosing herewith some supporting documents for your perusal.

Sincerely,

Joan A. Ray
President

/jcw

xc: Ed Merdes
Gary Bliss

Enclosures

Proposed Budget Appendix B

Prototype [redacted] Recreation Center

Personnel		
1100 - Center Director - Range 12 Non-AMEA		$20,624.00
Center Night Manager - Range 11 AMEA		18,700.00
Center Assistant Manager - Range 10 AMEA		16,957.00
Recreation Attendents - Range 6 AMEA 3 Positions Monday - Sunday (20 hours per week)		$26,784.00
Salaries and Wages	Total	$83,065.00
1200 - Over time 100 hours X $12 per hour	Total	$ 1,200.00
1300 - Differential	$1,870.00	
Night Manager	657.00	
	Total	$ 2,527.00
1400 - Benefits		$24,920.00
Total Personnel Services		$111,712.00
Supplies		
2100 - Office Supplies		$ 250.00
2200 - Operating Supplies		1,500.00
Other Services and Charges		
3100 - Professional Services		-0-
3200 - Communication		600.00
3302 - Transportation - Mileage		2,000.00
3400 - Insurance		2,650.00
3600 - Repairs and Maintenance		2,500.00
3700 - Rentals		2,000.00
3800 - Miscellaneous		
3802 - Publicity		300.00
3806 - Training		700.00
3808 - Health Department Permit		100.00
	Total	$ 10,850.00
Direct Organizational Costs:		$124,312.00

Intergovernmental Charges:

Building Maintenance	$ 42,000.00
Custodial	68,800.00
Building Space Management	38,740.00
Personnel	1,585.00
Payroll	1,000.00
General Accounting	6,000.00
Accounts Payable	3,000.00
Purchasing	1,000.00
Cash Management	400.00
Forms Management	100.00
Duplications	2,500.00
Electronics	1,320.00
Parks and Recreation Administration	7,500.00
Function Cost	$173,945.00
Total Function Cost	$298,257.00

the prototype facility and associated costs (e.g. architectural fees), it is projected that each facility would cost approximately $3.8 million (1979 dollars). In Table I the estimated costs of the prototype facility are presented.

TABLE I
ESTIMATED COST OF PROTOTYPE FACILITY

Component	Size (ft.)	(No.) Sq. Ft.	Cost/ Sq. Ft.	Cost
Gymnasium (84' x 94' x 50' with 4 good ring basketball courts)	105 X 78	8,190	90	$737,100
Showers, Lockers	-	900(2)	124	223,200
Racquetball/ Handball	46 X 23	1,058(4)	100	423,200
Weight Lifting Room	30 X 25	900	90	81,000
Dance/Gymnastics/Etc.	30 X 45	1,350	90	121,500
Multi-purpose Room	30 X 45	1,350	90	121,500
Arts and Craft Space	-	2,500	90	225,000
Active Game Room	20 X 30	600	90	54,000
Indoor Jogging Track	160 Yards	-	-	200,000
Children's Playroom	20 X 30	600	100	60,000
Necessary Costs				
a. Office/ First Aid	15 X 25	375	93	34,875
b. Corridors, etc.	-	6,000	85	425,000
c. Storage	-	1,500	75	112,500
d. Mechanical Room	20 X 30	600	75	45,000
Subtotal		29,997		2,863,875
Other Costs				
Architectural Fees (@ 4% of Subtotal)				$ 114,555
Site Preparation (@ 4% of Subtotal)				114,555
Landscaping (@ 1% of Subtotal)				28,639
Interfund (@ 9% of Subtotal)				257,749
Equipment (@ 5% of Subtotal)				143,194
Art in Public Places (@ 1% of Subtotal)				28,639
Contingency (@ 5% of Subtotal)				143,194
Parking (200 spaces @ $428 ea.)				85,600
TOTAL				$ 3,779,400

For Senator Betty

from Terry Martin

Alaska State Legislature

REPRESENTATIVE
TERRY MARTIN
DISTRICT 8

3960 REKA DRIVE—B6
ANCHORAGE, AK 99504
PHONE (907) 333-2432

DURING LEGISLATURE
POUCH V
STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-4943

Dear Coach:

How many years have you watched youth train for track and field in the hallways of our schools? How many times have you held your breath in anticipation of one of your students getting hurt trying to excel during a track and field event held under such dangerous conditions?

What about football? Isn't it a shame that you and your students put so much effort and time into this great sport and have such a short season? You know as well as I do the advantages of having an indoor football field.

THE TIME IS NOW! Last session I had $25,000 appropriated to do a feasibility study a Mulcahey Park. The findings are most encouraging. For instance, I was informed that the engineers drilled five holes to a depth of 65 feet each and found the ground very stable in that area.

During the interim, as many of you know, I spent many hours developing community support for the indoor sports activity center. I passed out pictures of what other communities, mostly smaller in population than Anchorage, have for sports programs. Such buildings as athletic centers in Flagstaff, Arizona, Montana State, and Moscow, Idaho's Kibby Center are naturals for what we need in Anchorage.

When I left Anchorage to start the session in January, I was sure most of the city's leaders were of the opinion that an indoor track and field and football field was a priority. But, opinions seem to have suddenly changed.

In the past five weeks I have talked to a number of Senators and Representatives and given them a packet similar to the enclosed. There has been a close effort working with them for mutual concerns about sports facilities throughout the state. Fairbanks is working hard for an indoor football field; Kenai wants a large indoor hockey arena; Palmer wants a larger indoor sports facility. There is no doubt that a bill will soon be sponsored for about $60 million for sports facilities. Of this amount, $22 million is appropriated for Anchorage under my insistance to informal groups that our needs, flexibilities, and populations are a top priority.

This may all sound fine, but we do have a major problem. That is, whose priorities should be met first? As you well know, the City Mayor and Assembly have an ad hoc committee pushing for recreational facilities they want to build, known as the Tony Knowles plan. There are major efforts now taking place to get the legislators to use state taxes for a spectator sport center first rather than the above indoor sports activity center described.

I feel our school athletic programs and the community participatory programs should take precedence over the city-sponsored, pro-team programs.

Now what? I need your help. There is no doubt that monies will be appropriated for an Anchorage sports facility this year. Would you be concerned enough to send a Public Opinion Message, (see procedure below), to each of the Anchorage legislators, (also listed below), asking them to appropriate state funds for an indoor football, track and field, and rifle range before using the state taxes for a spectator sports arena.

If you don't act now it could be years before action is taken. Please pass the word to your students and their parents to express their views to their legislator as well as the City Mayor's Office and the City Assembly.

With your help and support I feel that by the fall of 1982, we should see the first indoor football game in Anchorage. And how about the future of our students in track and field? Haven't you been amazed by the degree they excel under such adverse conditions?

Well coach, it's up to you now. I really need your help in starting a ground swell that will see our dream come true. Can I count on you?!

Yours Very Truely,

Terry Martin

TERRY MARTIN
STATE HOUSE OF REPRESENTATIVES
District (8)

PS-You may copy this letter and the enclosed to distribute to other supporters.

/sjb

HOW TO SEND A PUBLIC OPINION MESSAGE TO YOUR LEGISLATOR

You can send a Public Opinion Message to your legislator to let them know how you feel about a particular issue. The service is provided free of charge in order to encourage public participation in the legislative process. Your legislators need your feedback!

To send a P.O.M., call the Legislative Affairs Office, 2783668, or go down to their office at 1024 W. 6th Ave. in downtown Anchorage (6th and K St.). Your message will arrive in Juneau the same day you send it.

This service was established to make your legislators accountable to the taxpayers, so why not take advantage of it and let your voice be heard!

JAY S. HAMMOND, GOVERNOR
274-4676

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS

619 Warehouse Dr., Suite 210
Anchorage, Alaska 99501

March 21, 1980

The Honorable Arliss Sturgulewski, Chairman
Senate Committee on Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

During the Legislative Session, the Commissioner's Office forwards to the Division of Parks legislation which may have an impact upon public recreation. I have recently been forwarded a copy of Senate Bill 452, the Sport and Recreational Facility Grant Fund, which is currently in your Committee. After reviewing this proposed legislation I would like to offer the following comments and suggestions.

As currently drafted, SB 452 proposes to establish a $42,000,000 recreational grant fund for local communities. These monies would be passed through the Department of Community and Regional Affairs to local "recreation and sport facility councils" located throughout the State. These local sport and recreation councils would receive and expend the funds as well as continue to maintain recreational facilities once constructed. While wholly supportive of State assistance to communities for outdoor recreation projects and sport facilities, I believe that the current structures proposed in the bill would be duplicative of existing state efforts and could result in confusion for communities regarding outdoor recreation projects.

The Division of Parks currently administers some two and a half to three million dollars annually of Federal monies from the Land and Water Conservation Fund to communities throughout Alaska and to State Park System for the construction of outdoor recreation projects. In addition to these Federal monies, the Division also administers millions of dollars worth of State grant monies for both construction projects within the State Park System and for a broad variety of recreation projects in communities throughout the State. One of the most positive points about SB 452 is that it recognizes the need for the State to assist communities in the construction of such facilities. Federal Land and Water Conservation Fund dollars fund recreation projects on a 50% matching basis. It is necessary for communities who apply for these funds to contribute a 50% match. This is often difficult, especially for small communities in rural Alaska. While the grants staff within the Division of Parks is generally able to assist communities in calculating an "in-kind" match by using of volunteer service and equipment donations, there is often still difficulty in coming up with the full dollar amount required to match Federal assistance. Moreover, the State of Alaska has been able to "land match" recreation projects over the past years. Under this program land which

came to the State via the Statehood Act can be used as a value match for Federal dollars for the purpose of outdoor recreation projects. This means that boroughs and cities which have received further entitlements from the State may use these lands to assist them in matching for recreation dollars. However, the State of Alaska is living on borrowed time under the Land Match Program. Currently, Alaska is the only State in the Union authorized to use land match for the Land and Water Conservation Fund. This policy originated more than ten years ago when Alaska's financial picture did not show a billion dollar surplus. I have been told to expect a "review" of the land match policy by the federal government.

In the past the State has recognized the need to assist local communities in constructing recreation facilities. There has been established in the Statutes a fund known rather tortuously the Outdoor Recreation Open Space and Historic Properties Development Fund (OROS & HPDF). This fund has been available to the State to use in assisting communities to meet half of their required half for Federal dollars to construct recreation projects. Unfortunately, this fund has run dry. As part of our Capital Project suggestions to legislators this year, the Division of Parks suggested appropriating monies for this fund. While our suggestion as to dollar amount has been much lower than the $42 million proposed by SB 452, the concept is quite similar. In addition the Division of Parks has suggested deleting the Federal match requirement in OROS & HPDF so that monies could be passed directly to communities regardless of whether they had applied for federal Land and Water Conservation dollars within a given year.

The grants staff within the Division of Parks has had extensive experience over the past ten years in administering recreation dollars to local communities. Alaska's track record for operating these programs has been excellent. In fact, Alaska is one of the few States within the Union to come through Federal Audits for a period of years without exceptions. Moreover, this State ranks high among the States in its record of obligating and expending pass through monies to communities in a timely fashion and in assisting them in their fiscal management of the programs. Based upon this track record I offer the following suggestions for the Legislation.

There already exists within the State structure a series of Park and Recreation Commissions (PARC). The sport and recreation facility commissions in SB 452 would appear to overlap with the functions of the local PARC's. Moreover, our experience with granting money to non-profit organizations located within municipal governments has been good. We would suggest that the monies be granted to the local government entities and that local park and recreation commissions be used to suggest projects to the local governments. It might be required that the local park and recreation commissions support and endorse those projects for which local governments apply. The program could also be administered by the Division of Parks. The purpose for this is by no means "empire building". All of the monies would be passed through to local governments. And to be quite honest, I have no desire for additional responsibil-

ities in administering grant monies. The reason that I suggest this concept is to avoid creating a new bureaucracy to administer a new recreation fund where inevitable overlaps in responsibilites would occur. It is almost certain that many communities receiving funds from the new sport and recreation facility grant would then try to use those monies to match federal monies which the Division of Parks administers. This makes absolutely good sense. Unfortunately, as we have experienced with grants administered from other agencies, the guidelines and regulations are often different. This is difficult for larger cities to cope with, and creates a veritable nightmare for any communities smaller than Anchorage. Moreover, having witnessed the fate of the OROS & HPD Fund we are concerned that this large appropriation might simply be a one time shot and be whittled away over the next few years never to be funded again. By allowing such a program to be tied to an ongoing federal program such as the Land and Water Conservation Fund, or at least providing for the ability of the Fund to easily dovetail may help sustain the dollars over time.

If there is no desire to place the fund within the Division of Parks or to transfer the money to the OROS & HPD Fund, then I would suggest at least that the word "indoor" be inserted in the purpose for the fund. At least this would avoid the overlap with outdoor recreation projects administered throughout the State by the Division of Parks.

In summary, I wholly support the concept of HB 452. If the intent of HB 452 is to simply fund several major sport facilities projects in major cities, such as the proposed "Project 80's" for the City of Anchorage, the fund may well work without a hitch. However if there is a desire to see a continuing fund which enables communities of all sizes throughout the State to construct and manage recreation facilities, then I believe the suggestions which I have forwarded to you in this letter have merit.

Thank you for your consideration of these observations. Please do not hesitate to call upon me or my grants staff should you have any further questions or wish to follow up on some of the comments which I have made.

Sincerely,

Chip Dennerlein
Director

cc: The Honorable Bob Mulcahy
The Honorable Pat Rodey
The Honorable Tim Kelly
The Honorable Terry Stimson

CD/cw

(513 451-52)

Bottom Line -- Grants for construction of sports and recreational facilities

Questions to Consider:

1. Direct grants vs Statewide program

Statewide Program

1. Program time frame - several year? forever? or one-time only..... expenses
2. Grant components/include: planning? construction? Administrative for agencies involved initially?? maintenance? operating?
3. " - state share involvement? What %? Area/Municip %? Breakdown needed?
4. Grant distribution- money:
   First come - first serve?
   $ to region
   $ to boroughs
   $ to cities
   $ to corporations
   Set equal fair amounts? or Give varying amounts by population - %? area size - %? area income - %?
   total facilities in each area? = 1 or more????

WHAT IS THE TOTAL APPROPRIATION NEEDED TO BEGIN PROGRAM????
Consider maximum building size/ estimated costs/ and multiply by how many times? (per direction from above?)
Try to study area population and determine building size by seating capability?
What can be maximum area/ munic. Request?
SHOULD LEGISLATURE DETERMINE AREA NEED - OR LET AREA DO THIS THEMSELVES?

Eligibility? - Is any criteria desired for areas to apply?
A) Proof of public desire for facility needed? - especially if area has to match any money..
B) Proof of land ownership- on which the facility would be constructed?
C) Building Plans with cost outline - showing all projected costs?
D) Proff of area need and that the area could support their end???

WHO SHOULD DO THE CONTRACTING FOR CONSTRUCTION?

Accountability = Area: (If City or Borough, if Region? if Corporation?).
State What State agency? 3rd Party???

State Agency guidelines needed?
1. Have agency determine selection of who gets what? (Could use information from above)
2. Require screening of any eligibility requirements on applications?
3. Arbitrate - when 2 or more municipalities within same area are eligible - if $ limination is factor....?

What would be program effective date?

Ongoing expenses for ongoing program - who does what

ongoing expenses for any portions - i.e., operating and maintenance? Who does what....

COUNCIL NEEDED TO OVERSEE MAINTENANCE AND OPERATING EXPENSES? OR ANY OTHER EXPENSES? Or, is this provided in existing government structures?

Council - Any guidelines needed? What would they do, when would they and how.....
- Who would make up the Council (any eligibility requirements needed?)
- How would the Council be picked?
- Area Council Jurisdiction would encompass?
1 - what would be the cost vs other alternatives?
2 - [illegible] political problems?
3- are we duplicating services?
4- would public want to pay for a program if they could have no say vs through elected munipal officials....

WHAT ARE THE EFFECTS AND WHAT ARE THE CAUSES THIS LEGISLATION WOULD RESULT IN?

ABOVE ARE JUST SOME THOUGHTS - Twyla

SB 451/52 (Grants for Sports & Rec. Fac.) please hold until budget appropriations are set as Anchorage has a direct appropriation for regional sports complex proposed - seating 8-10,000, had no $ figure on request... If this goes through, Anchorage won't need these two bills.

no local control

He has concern about the Council overseeing projects/- whereas through budget - Anch. will oversee its own...

But, if request is not granted, then Anch. would push for this bill.....

One Regional Sport complex this year - Mulcahy Park

There are 9 proposed neighborhood complexes (Fairview was approved last year) include: Spenard, Eagle River Chugiak = the two requests in this year.

(Fairview is being designed now with construction to start in the spring)

Spenard to strat construction in the Spring '81

Above was all Mitch had or felt necessary to relay on Anchorage Capital improvement Plan - background and implementation.....

SB

452

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/19/80

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 452

special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities

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 [ ] new title

and recommends _____

[ ] 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:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____
CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XX11

SENATE C/RA

Committee

Side Number 1

Present: Senators Kelly, Mulcahy, Rodey, Stimson & Chairman Sturgulewski

Dates 4/3/80 to --

Bill Numbers Discussed

SB 389	SB 451	SB 452	SB 510						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/3/80 1:30	005	SB 389	Chairman Sturgulewski opened meeting
			and brought "CS" before Committee for consideration
	063		Steve Van Sante, Dept. C/RA/ intent of parcel, one
			or more parcels Agreed to assist in wording for Letter of Intent
	114		Rodey / moved to pass "CS" do pass w/ rec. Bill passed unanimously
	148	SB 451 &	Chairman Sturgulewski brought out "CS"
	200	452	Ruth Allington, Staff to Sen. Fahrenkamp
	225		Sen. Kelly
			Sen. Rodey moved "do pass" with ind. recommendations
	263	SB 510	Chairman Sturgulewski brought out "CS"
	321		Mitch Gravo/ Anchorage Municipality
	333		Sen. Kelly -tax on books & freezing mill rate
	388		Terry Earley, Dept. C/RA
	414		Sen. Rodey moved to pass out with ind. recomm.
			No Objections
	422		Sen. Sturgulewski packet of letters on whole tax
			related concerns - real property sent out....
	458		MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XXI
Cassette 1 & 2
Side Number 1 & 2

SENATE C/RA
Committee

Members present: Chairman Sturgulewski, Kelly, Mulcahy, Stimson
" absent: Senator Rodey

Dates 4/1/80 to --

Bill Numbers Discussed

SB 451	SB 452	SB 370	SB 389	SB 510					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/1/80 1:30 p.	008	SB 451 & 452	Chairman Sturgulewski - gave summary on amendments
	177		Senator Fahrenkamp, sponsor, gave background
	313		Sen. Kelly re SB 451- Why not Straight Appropriation?
	393	SB 370	Gary Crouse, Dept. of Public Safety, Fire Prot. Offi
			Sen. Kelly Moved to Pass with individual recommendation - Bill passed out of Committee / Sen. Stimson / Sturgulewski " "
	520	SB 389	Jack Chenowith, Legal Office / Sen. Sturgulewski
	619		Terry Earley, Dept. C/RA/ Tax Assessor
	773		J. Chenoweth, Amendment - New amendment giving C/RA ability to determine adjacent parcels.
Side 2	000		Frank Lee, Sen. Bradley's AA, re parcel/tract
	102		Gary Jenkins, Private Citizen
	206		Carl Haggerup, Private Citizen/ Sen. Sturgulewski
	356	SB 510	Chairman Sturgulewski/ Bill Summary
	391		Jack Chenoweth, Legal Office
	604		Dept. C/RA
	671		Gary Jenkins, Dept. of Revenue
	691		Mitch Gravo, Anchorage Municipality,
	833		Ginny Chitwood, AML, funding- municipality reim. re conditional exemption based on reimbursement
Cassette 2			Senator Sturgulewski Senator Kelly
	055		Jack Chenoweth, Legal Office failure to fund

over

3:15 p.m. - meeting adjourned

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Senate C/RA

April 1, 1980

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
	Ginny Chitwood	204 11 Franklin St Juneau Ak	Ak Municipal League
SJR 10	Mitch Gravo	Pouch 6-650 Anch	Mun of Anch

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

Official Business

March 31, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Mike Colletta
Senator Don Bennett
Senator Brad Bradley
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Frank Ferguson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building, Butrovich Room

Tuesday, April 1, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention

SB 389 - An Act relating to the senior citizens tax exemption

SB 510 - An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date

SB 451 - An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils

SB 452 - An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date.

SB 351 - An Act relating to state aid to local governments; and providing for an effective date

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 452

Title An appropriation for the Community Sports and Recreation Facilities Grant Fund

Requested by Senate Community and Regional Affairs Committee Date 3/25/80

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	78.6	84.9	91.7	91.9	107.0	115.6
200 TRAVEL	16.0	17.3	18.7	20.2	21.8	23.5
300 CONTRACTUAL	3.0	3.2	3.4	3.6	4.0	4.4
400 COMMODITIES	0.3	0.3	0.4	0.4	0.4	0.4
500 EQUIPMENT	2.0	0.6	0.6	0.7	0.7	0.8
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	99.9	106.3	114.8	117.0	133.9	144.7

FUNDING (Thousands of Dollars)

GENERAL FUND	99.9	106.3	114.8	117.0	133.9	144.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	2.5	2.5	2.5	2.5	2.5	2.5
PART TIME						
TEMPORARY						

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

SB 452 appropriates $42,000,000 to the Sports and Recreation Facilities Grant Fund. The following cost breakdown assumes funding a the level specified in SB 452.

The Division of Community Planning would administer the planning phases of the sports and recreation facilities grant program. The Division of Local Government Assistance would manage construction and operation phases. Salaries were calculated at the FY 80 General Government Unit salary schedule. Inflation was assumed to be 8% per year. First-year costs are as follows:

- Continued -

IV. DATE 4-14-80 PREPARED BY Veronica Clark/Terry L. Carley

AGENCY Community and Regional Affairs

PHONE 465-4700

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/77)

I. REQUEST

Bill/Resolution No. SB 452

Title An appropriation for the Community Sports and Recreation Facilities Grant Fund

Requested by Senate Community and Regional Affairs Committee Date 3/25/80

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Community Planning Services and Local Government Assistance

EXPENDITURES (Thousands of Dollars)

		FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100	PERSONAL SERVICES	78.6	84.9	91.7	91.9	107.0	115.6
200	TRAVEL	16.0	17.3	18.7	20.2	21.8	23.5
300	CONTRACTUAL	3.0	3.2	3.4	3.8	4.0	4.4
400	COMMODITIES	0.3	0.3	0.4	0.4	0.4	0.4
500	EQUIPMENT	2.0	0.6	0.6	0.7	0.7	0.8
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	99.9	106.3	114.8	117.0	133.9	144.7

FUNDING (Thousands of Dollars)

GENERAL FUND	99.9	106.3	114.8	117.0	133.9	144.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	2.5	2.5	2.5	2.5	2.5	2.5
PART TIME						
TEMPORARY						

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Continued -

IV. DATE 3/25/80 PREPARED BY Veronica Clark/Terry L. Earley

AGENCY Community and Regional Affairs

PHONE 465-4700

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Alaska State Legislature

SENATOR MIKE COLLETTA

SENATE MAJORITY LEADER

Senate

MEMORANDUM

February 26, 1980

TO: Senator Arlis Sturgulewski
Chairman
Community & Regional Affairs Committee

FROM: Senator Mike Colletta
Chairman, Rules Committee

RE: Senate Bill 452

In submitting this bill for introduction, a drafting error was not noticed until after the bill had been printed.

I would appreciate your consideration of the following amendment, inorder to conform with the original intent:

SB 452 page 1, line 15

delete: [Northcentral]

insert: Northwestern

Your attention to this matter is appreciated.

SRA, BOX 1458-K, ANCHORAGE 99502 • POUCH V JUNEAU 99811

STATE LEGISLATURE

MEMORANDUM

Memo to: Senator Sturgulewski
Chairman, Community and Regional Affairs Committee

From: Ruth Allington
Assistant
Senator Fahrenkamp

Date: March 5, 1980

Re: SB 451, SB 452 relating to sports facilities

Intent - The basic reason for these bills is to allow development of area-wide sports and recreation capabilities. There is a demonstrated need for covered facilities large enough for football games, and able to be adapted to tennis, track, basketball, soccer, and assorted other participant and spectator sports.

Other statutes of a similar nature are on the books. The drawback to the main one, 43.18.400, is that it would provide only up to 50% of the total funding of the facility. Also, it leaves management and administration up to the municipality. Under SB 451 an advisory council is formed. It is anticipated that this mechanism will enable the area-wide concept to be realized, without the problems inherent with a municipality doing the administration, i.e. a borough putting its own preferences above those of a city within the borough, or groups not associated with the municipality.

Although the original concept involved appropriations to individual municipalities, the bill became one of the proverbial Christmas Trees. In order to forstall further add-ons, the concept of using judicial districts was adopted. Two or three facilities within one district are still possible, if the municipalities get together and pool the funds.

It is anticipated that the following amounts will cover the cost of an air-dome of the size necessary in the listed municipalities.

Fairbanks	$12,000,000.
Anchorage	18,000,000.
Southeast	6,000,000.
Northwestern	6,000,000.

(All facilities except Anchorage and Fairbanks would use approximately the same size basis)

As stated in SB 451, the facility council would be responsible for managerial aspects of the facility, including hiring the manager. It is envisioned that the director would be "on-board" at least six months before completion of the project. The councils would prepare the budget for the coming year, for presentation to the legislature as backup for the 50% operating and maintenance cost grants from the state for the first five years. (Note: the wording limiting the state share of operating and maintenance costs to five years was left out of the bill. It will need to be added. It is anticipated that the state will not be involved after the five year initial period.)

SB
453

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/13/80

Date: 3-11-80

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had SB 453

special appropriation to the Fairbanks North Star Borough for the development of a park strip along the Chena River in downtown Fairbanks

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 SB 453 [ ] same title [X] new title

and recommends

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tim Kelly

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XV

SENATE C/RA
Committee

Side Number 1

Dates 3/11/80 to --

PRESENT: Chairman Sturgulewski
Senators Mulcahy, Kelly, Rodey, Stimson

Bill Numbers Discussed

SB 446	SB 453								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/11/80 1:30 p.	005	SB 446	Chairman Sturgulewski, summary
	040		Senator Kerttula, bill sponsor
	137		Sen. Sturgulewski
	198		Mitch Gravo, Anchorage Municipality Repre.
	237		Sen. Rodey
	248		Sen. Kerttula
	262		Sen. Sturgulewski
	293		Palmer McCarter, Dept. C/RA
	348		Sen. Sturgulewski
	398		Hilton Wolfe, Dept. N/R., Div. of Parks
	481		Sen. Sturgulewski - Grant Processing
	493		Sen. Kelly to Sen. Sturgulewski
	514		Mitch Gravo
	528		Sen. Rodey moved to adopt amendment:
			Delete 60 - meter (Line 12 Delete Campbell Point (Line 13 = No objections
	539		Sen. Rodey moved to pass with indiv. rec.
			No Objections - and SB 446, am passed.
	566	SB 453	Sen. Sturgulewski
	575		Sen. Fahrenkamp, sponsor
	630		Palmer McCarter, Dept. C/RA

Over

648 Sen. Rodey moved to Pass "CS" with individual rec. There was no objections so CSSB 648 passed.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 10, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Jalmar Kerttula
Senator Mike Colletta
Senator Bettye Fahrenkamp
Senator Brad Bradley
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Butrovich Room 207, Capitol Building

Tuesday, March 11, 1980 - 1:30 p.m.

SB 446 - An Act making a special appropriation to the Department of Community and Regional Affairs for construction of a ski jump; and providing for an effective date.

SB 453 - An Act making a special appropriation to the Fairbanks North Star Borough for the development of a park strip along the Chena River in downtown Fairbanks; and providing for an effective date.

Thursday, March 13, 1980

No Meeting set at this time

Tuesday, March 18, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention.

SB 450 - An Act making an appropriation to the Legislative Council for a study of local options for control of the Fairbanks International Airport; and providing for an effective date.

SB 453 - Bill Summary (Fahrenkamp and Bradley)

Summary - Appropriation of $250,000 to the North Star Borough for the development of a park strip along the Chena River in downtown Fairbanks.

This money will be used for Phase II and the start of Phase III,(see attachments for more details) and this work would begin this summer.

Last year's appropriation went to the City of Fairbanks, wherein this request is to the Borough.

Principal backers - Downtown Business Association.

ALASKA

STATE LECISLATURE

MEMORANDUM

To: Twila 3/7/80
From: Robin
Re: Various projects in C&RA

SB 453. Fiscal detail.

Landscaping: Includes bolstering banks, repairing storm drains, hauling in peat and rock. Based on previous experience, approximately $40,000 per mile. Estimate 3 miles in project	$120,000
Clean-up: Includes removal of boulders and concrete	75,000
Rennovation of Yukon 800 staging area and Griffith Park: Includes fencing, barbeque pits, and gravel walkways	40,000
Design work for Phase III of Chena Park Strip: Includes design work for amphitheater, bridge, or marina, depending on community needs as identified by that time. Very flexible at this stage	15,000
TOTAL	$250,000

Contact for testimony:

Karen Menafee
Downtown Association
551 Second Ave.
Fairbanks, Ak. 99701

Ben Harding
Fairbanks North Star Borough
520 Fifth Ave.
Fairbanks, Ak. 99701

fairbanks north star borough
p.o. box 1267 520 fifth ave. fairbanks, alaska 99707 907-452-4761

March 1, 1980

Senator Bettye Fahrenkamp
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

A major priority of the Fairbanks North Star Borough is the economic revitalization of downtown Fairbanks. An important element of any revitalization plan will be beautification of the downtown area, including the Chena River, a long-overlooked community asset.

Last summer, the Fairbanks Downtown Association began work on creation of a park and beautification of the river banks in the area around the Cushman Street bridge. Working with the association, the borough has developed plans for the second phase of this project. Passage of Senate Bill 453, which would appropriate $250,000 to the borough for this work, will enable implementation of the second phase this summer.

Cleanup of the river banks will be required, as many unsightly boulders, concrete slabs and other debris must be removed. Some bolstering of the banks is necessary, and city storm drains opening into the river must be repaired or replaced. Following this work, the banks will be landscaped, trees will be planted and benches will be installed.

Funding provided by SB 453 also will allow work to begin on the third phase of this project, which is development of major park facilities. These include a bike path along the river with rest areas equipped with benches and picnic tables; development of a small amphitheater near the river's edge for public performances by local artists and musicians; construction ofpedestrian bridges across the river to promote foot traffic and accomodate bike travel across the river; and development of a small municipal marina for small boat traffic on the Chena.

Communities across the country have gained tremendous benefits by developing and utilizing existing assets. Your introduction and support of SB 453 is deeply appreciated and will facilitate the beautification of the Chena River so that it will become a major community drawing card.

Projects of this nature require extensive cooperation and coordination, and we will continue to work with the Fairbanks Downtown Association through all phases of this park development. If I can be of further assistance to you on this matter, please contact me at your convenience.

Sincerely,

John A. Carlson
Borough Mayor

fairbanks downtown association
551 2nd Ave. Fairbanks, Alaska 99701 (907) 452-8671

March 6, 1980

Senator Bettye Fahrenkamp
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

The Fairbanks Downtown Association is embarking upon a revitalization program for downtown Fairbanks. One of the most unique untapped resources we have, is a river running through our city. Last summer this association began work on the banks of the river, drains were bolstered, landscaping started, and a small park was built by the bridge. All of which was well received by the community.

We would like to see phase two of this project begin this summer. With the passage of Senate Bill 453, which would appropriate $250,000 directly to the borough for implementation this summer, this would be possible.

Beautification of the Chena River will help give downtown Fairbanks a more enjoyable environment and greatly improve its visual tones. This will enhance the opportunity for the city to develope to the full extent of its potential, both culturally and economically.

The Fairbanks Downtown Association lends its full support to the passage of S.B.453. We look forward to working with the Borough through all phases of this park development.

Sincerely,

Karen L. Menefee

Karen L. Menefee
Director

KLM/sn

3/11/80

Arliss:

History to go with SB 453 - concern of dollars delay to municipality

Following the last session, Dept. C/RA became aware money was appropriated to the City of Fairbanks, which was to go through their Dept. - apparently as a result of FCC SB 53 (Budget) passage. They did not know who the players were, who the money should go to, etc., and when Fairbanks was contacted the first time - June 8 - Fairbanks did not even know..

Fairbanks started on the idea of having a public hearing - they had some extra dollars given from the Legislature - then the Downtown Businessmen Group stepped in, said hey, this is our money...

Dept. C/RA now knew the players. July 17 they wrote Mayor Wood requesting program outline, scope of services, etc., and sent a cc to Sen. Fahrenkamp and Ms. Karen Minefee, of the Downtown Business Group. No acknowledgement was received from the latter two; however, the city did return the questionnaire July 30.

August 3, Dept. C/RA sent out the contract; contract was returned and warrant was sent August 28.

Basically this was the event outline per the Dept. C/RA, Mr. Palmer McCarter's folder. There were some phone calls, some general memos, etc., that I have bypassed; but it appears in all instances the Dept. tried promptly to give this money away and letters were sent with a two day time period after correspondence was received by their agency from the City of Fairbanks.

Incidentally, the City of Fairbanks did go past their deadline date of Oct. 31, 1979, and has been granted an extension to June 1, 1980.

Also, the city had requested backpayment initially in the warrant to go back to July 1. Robin in Sen. Fahrenkamp s office had originally said work had begun in May.

PROCEDURE followed by Dept. C/RA - when money - direct grants - are to go to a municipality, they request a breakdown of the project plans and figures from the municipality, and then they send a contract, which is based on the guideline sent to all departments last year from Budget and Management, "Contract of Services." Once contract has been signed by all parties, the warrant is sent to municipality.

In event money goes to unorganized areas, nonprofits, etc., a more extensive contract is required.

Usually the above procedure should not take very long - if bills could be passed wherein the department would know immediately who to contact and what the program is about.

SB

456

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 456

By STIMSON AND BRADLEY

"An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date."

Introduced in the Senate 2/18/ 80

HISTORY IN THE SENATE

19		
19 80		Read first time and referred to Committee on
2	18	C & RA AND FINANCE
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

#6005 - Guthrie

31-001

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 456
Title Exempting Senior Citizens from Personal Property Taxation
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Social Services
BRU, Program, or Subprogram(s) Affected Senior Citizens Tax Relief
(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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES			246,600	266,300	287,600	310,600
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			246,600	266,300	287,600	310,600
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that the statewide ratio of personal property to real property, 14%, would be a reliable estimate for that of Senior Citizens. Therefore, a valuation of $1,761,539 (1979 value) at 14% results in a impact of $246,600. It is also estimated that this amount will increase at 8% per year.

IV. DATE _____ PREPARED BY Steve Van Sant
AGENCY Community & Regional Affairs
PHONE 465-4787

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

33-001 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

Committee Log Book - 1980

Tape Number XI

Side Number 182

Senate CRA
Committee

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, Mulcahy

Absent: Sen. Rodey

Dates 2/26/80 to —

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 389		SB 456		SB 431	SB 138	SB 154

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40 P.	005		Mtg. Opening - Summary
Side (1)	075	SB 299	Sen. Kerttula - "
	252		Sen Kelly - Bill Intent
	275		Sen. Kerttula
	315	SB 427	Sen. Ferguson - Summary
	428	SB 389	Mayor Sen Gillman (Solid Waste)
		SB 427 SB 456 & SB 465	
	522		Sen. Sturgulewski - "
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " (02.08 - Should be 29.53.025)
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palmquist Incorp. language SS HCR 45
	791	SB 456	" "
	793	SB 465	" "
	803	SB 465	Sen. Stimson
	840	SB 299	"

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stimson
082	SB 389	Pat Porter - Soldotna (S. SB 45 - Line 16)
138		Ruby Coil
241	SB 465	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	ROSE Palmquist
454	~~SB~~ 431	Larry Kadell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (For Sen. Bradley)
539	SB 154	
	SB 389	
~~680~~ 619	SB 427	Vivian Loveless
659	SB 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Sen. Rodey arrived 3 P.M.

Mtg. Adjourned 3:07

Alaska State Legislature

TELECONFERENCE HEARINGS



SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	2/22	3
News releases (local)	Pub Comm 2/13-21	1
News releases (outlying media)	Ktn Daily News KTKN KRBD	
Direct mail		
Phone contacts		
Other:		

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch Y Juneau 99811

Phone: 465-4980

SB

465

Committee Log Book - 1980

Tape Number XI

Side Number 182

Senate CRA
Committee

PRESENT: Chairman A. Sturgulewski, Sen. Kelly, Stimson, McCabe Dates 2/26/80 to —

Absent: Sen. Rodey

Bill Numbers Discussed

SB 299	SB 427	SB 465	SB 389		SB 456		SB 431	SB 138	SB 154

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-26-80 1:40P	005		Mtg. Opening-Summary
Side (1)	075	SB 299	Sen. Kertula - "
	252		Sen. Kelly - Bill Intent
	275		Sen. Kertula
	315	SB 427	Sen. Ferguson - Summary
	428	SB 389	Mayor Son (Gillman Soldotna)
		SB 427 SB 456 & 465	
	522		Sen. Sturgulewski -
		SB 427	Mayor Gillman
	559	SB 456	" "
	575	SB 465	" " (02.08 - Should be 29.53.025)
	598	SB 299	" " - Mill levies / mill rates
	636		Sen. Kelly
	673	SB 389	Rose Palmquist Incorp. language SS HC R&S
	791	SB 456	" "
	793	SB 465	" "
	903	SB 465	Sen. Stimson
	840	SB 299	"

OVER

Side (2)

000		Rose Palmquist (Continues)
028		Sen. Stinson
082	SB 389	Pat Porter - Soldotna (SS SB 45 - Line 16)
138		Ruby Coil
241	SB 425	" "
260	SB 389	
393	"	Sen. Sturgulewski
424	"	ROSE Palmquist
454	~~SB~~ 431	Larry Kadell
490		Sen. Sturgulewski
519	~~SB~~ 138	Frank Lee (for Sen. Bradley)
539	SB 154	
	SB 389	
~~680~~ 617	SB 427	Vivian Loveless
659	~~SB~~ 389	" "
686		Sen. Sturgulewski - Gen. Comments
711		Sen. Kelly - Gen. Comments on Revenue Sharing & Prop. tax relief
738		Sen. Rodey

Rodey arrived 3 P.M.

Hrg. Adjourned 3:07

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: Yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs	2/22	3
News releases (local)	Pub Comm 2/22	1
News releases (outlying media)	Ltr Daily News KTKN KRBD	
Direct mail		
Phone contacts		
Other:		

NUMBER IN ATTENDANCE 0

NUMBER TESTIFYING 0

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch V Juneau 99811
Phone: 465-4980

The estimated revenue lost by the municipalities for 1981 is $55,240,200. This was computed as follows:

RECAP FOR FISCAL ANALYSIS SB 465

Municipality	Estimated Value of Residences	Revenues Generated by Actual Millage	Precentage of Residences over 85,000	Reimbursabl by State
Anchorage	3,348,683,403	44,883,400	25%	33,662,500
Bristol Bay	4,586,350	42,800	-0-	42,800
Fairbanks	877,674,140	10,668,300	15%	9,068,000
Haines	16,278,311	83,100	-0-	83,100
Juneau	274,135,000	3,305,200	40%	1,983,100
Kenai	709,052,919	5,213,210	30%	3,649,200
Ketchikan	125,170,661	1,819,000	10%	1,637,100
Kodiak	91,988,026	1,017,300	15%	864,700
Matanuska/Susitna	209,330,395	1,822,800	10%	1,640,500
North Slope	45,741,948	350,400	-0-	350,400
Sitka	166,964,850	584,400	5%	555,200
				53,536,600
TOTAL CITIES	169,193,454	1,892,900	10%	1,703,600

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 465
Title Relating to Partial Exemption of Property Tax
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected State Assessors Office, LGAD Grants

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES			100.0	108.0	116.6	125.9
200	TRAVEL			0	0	0	0
300	CONTRACTUAL			25.0	27.0	29.0	31.5
400	COMMODITIES			0	0	0	0
500	EQUIPMENT			7.5	0	0	0
600	LAND & STRUCTURES			0	0	0	0
700	GRANTS, CLAIMS, ETC.			55,240.2	58,002.2	60,902.3	63,947.4
	TOTAL			55,372.7	58,137.2	61,048.1	64,104.8

FUNDING (Thousands of Dollars)

GENERAL FUND			55,372.7	58,137.2	61,048.1	64,104.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	0	0	5	0	0	0
PART TIME						
TEMPORARY						

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

SB 465 exempts up to $85,000 in value from residential property in regards to property tax. Revenue lost in the municipality by implementation of this bill shall be reimbursed by the State. This will necessitate an audit procedure of applications for each municipality. The total number of applications to be audited is estimated to be 160,000 in 1981 and an expected growth rate of new applications at 5% each year following.

Computerization of this program will help deter some personal services expenditures, however, it will be necessary to employ 5 clerical positions for the auditing procedures. Computer costs are estimated at $25,000 per year.

Continued

IV. DATE _____ PREPARED BY Steve Van Sant
AGENCY Local Government Assistance Division
PHONE 465-4787

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

33-001 (Rev. 10/78)

Official Business

Alaska State Legislature

Senate
Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.

SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.

SB 296 - An Act providing a partial exemption from assessment for levy and and collection of property taxes on residential property; and providing for an effective date.

SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.

SB 427 - An Act relating to the senior citizens tax exemption.

SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.

SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.

SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.

SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

SB

492

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/19/80

Date: 2-15-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 492

making a special appropriation to the Dept. of Community & Regional Affairs, unorganized borough planning account

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Mackey

Tony Knowles

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tom Kelly-No Rec

_____
CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XVIII

Side Number 1 & 2

Dates 3/25/80 to ---

SENATE C/RA
Committee

PRESENT: Senators Kelly, Mulcahy, Stimson and Chairman Arliss Sturgulewski

ABSENT: Sen. Rodey

Bill Numbers Discussed

SB 309	SB 370	SB 348	SB 350	SB 492					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P 3/25/80	0005	SB 309	Sen. Sturgulewski, Opened meeting, gave overview
	090	CSSB 309	Sen. Kelly moved to accept
	108		Terry Earley, Dept. C/RA
	157		Sen. Kelly moved to pass/ No objections
	175	SB 370	Sen. Kelly moved to adopt Committee Substitute
	280		Sen. Kelly stated problems with the bill
	430		Sen. Stimson comments his concerns
	463		Sen. Sturgulewski reviews members concerns
	494		G. Crouse, Dept. of Public Safety / objection
			to CS - 1st sentence needs deletion
	571	CSSB 348	Sen. Sturgulewski
	596		Sen. Mulcahy moves to bring CS before Committee
	648		Sally Rue, DPDP, testifies for
	829		Terry Earley, Dept. of C/RA testifies Fiscal Note
	873	CS SB 350	No Fiscal Note for new "CS" available yet
Side 2	008		Jay Moore, DPDP testifies for
	264		Dale Eliason
	325		Sen. Mulcahy moved to pass all 3 bills (CSSB 348, CSSB 350, CSSB 492
			Sen. Kelly praised package, but did not vote as against his philosophy

2:45 p.m. MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XVII

SENATE C/RA COMMITTEE

Committee

Side Number 1 & 2

Dates 3/19/80 to _____

WORK SESSION

Bill Numbers Discussed

SB 348	SB 350	SB 492							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/19/80 7:30 p.m.			Co-Chairman Sturgulewski
			Co-Chairman Bill Parker
			Bob Lohr, RuralCAP
			Spud Williams, Tanana Chiefs

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

TO:

Senator Bob Mulcahy Vice-Chairman	Senator Jalmar Kerttula
Senator Tim Kelly	Senator Ed Dankworth
Senator Pat Rodey	Senator Bettye Fahrenkamp
Senator Terry Stimson	Senator Don Bennett
Senator Mike Colletta	Representative Terry Gardiner
Senator Brad Bradley	Representative Oral Freeman
Senator Glenn Hackney	Representative Ernie Haugen
Senator Robert Ziegler	Representative Richard Eliason

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Tuesday, March 25, 1980 - 1:30 p.m. (Butrovich Room)

SB 370 - An Act relating to fire prevention.

SB 309 - An Act requiring the preparation of a local government impact statement.

SB 348, 349, 492 - (Part of the Local Government Study Package)

Wednesday, March 26, 1980 - 1:30 p.m. (Beltz Room)

SB 348, 349, 492 - Local Government Study Package Work Session

Thursday, March 27, 1980 - 1:30 p.m. (Butrovich Room)

SB 408 - An Act making a special appropriation to the Department of Community and Regional Affairs for village gardening projects; and providing for an effective date

HJR 62 - An Act relating to the Alaska Power Authority and the incurring of revenue bond indebtedness of the APA for the Tyee Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough.

SB 389 - An Act relating to the senior citizens tax exemption.

Friday, March 28, 1980 - 1:30 p.m. (Governor's Conference Room)

HB 932 - Creating Office of Rural Development and Rural Devlopment Council Joint C/RA meeting (teleconference)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 18, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Wednesday, March 19, 1980 8:30 a.m. (Room 112/ House HESS Committee Room)

HB 932 - Creating Office of Rural Development and Rural Development Council
Joint Senate/House Meeting.

Wednesday, March 19, 1980 - 7:30 p.m. (Butrovich Room)

Joint C/RA meeting with members of RuralCap Citizens' Participation Conference on Joint Interim Legislative Package (HB 580-586, HB 886 and SB 348-354)

Thursday, March 20, 1980 - 1:30 p.m. (Butrovich Room)

SB 348-SB 349 - Local Government Package. Consider Committee Substitutes.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 492/HB 886

Title Appropriation for planning account of the unorganized borough

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Community Assistance Grant

(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		40.7	43.9	47.4		
200	TRAVEL		7.2	7.8	8.4		
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT		2.0	.5	.5		
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		49.9	52.2	56.3		

FUNDING (Thousands of Dollars)

GENERAL FUND		49.9	52.2	56.3		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1		
PART TIME						
TEMPORARY						

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

The Department anticipates that one full time position will be needed for administration and coordination of the appropriation within this bill. It is assumed the grant will serve 4 of the 21 areas in the unorganized borough. The position will have to travel to each of the 4 areas on three occasions. It is assumed that grant funds will continue to be appropriated.

Local Government Specialist IV Range 19 - Salary	=	$31,824
Fringes	=	8,910
Travel, 12 trips @ 600	=	7,200
Equipment & Supplies	=	2,000
		$49,934

($500 after FY 81)

IV. DATE _____ PREPARED BY Steve Van Sant

AGENCY Community & Regional Affairs

PHONE 465-4787

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

33-001 (Rev. 12/79)

SB
510

COMMITTEE REPORT

SENATE

FURTHER: Finance

3/5/80

Date: 4-3-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 510

exempting business inventory from municipal property tax levy

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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Bob Marks

Tom Keck

Ted Neil Berg

Tom Towe

MEMBERS HAVING OTHER RECOMMENDATIONS:

Carlson Stimatz

CHAIRMAN

Do Pass

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XX11

SENATE C/RA

Committee

Side Number 1

Present: Senators Kelly, Mulcahy, Rodey, Stimson & Chairman Sturgulewski

Dates 4/3/80 to --

Bill Numbers Discussed

SB 389	SB 451	SB 452	SB 510						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/3/80 1:30	005	SB 389	Chairman Sturgulewski opened meeting
			and brought "CS" before Committee for consideration
	063		Steve Van Sante, Dept. C/RA/ intent of parcel, one
			or more parcels Agreed to assist in wording for Letter of Intent
	114		Rodey / moved to pass "CS" do pass w/ rec. Bill passed unanimously
	148	SB 451 &	Chairman Sturgulewski brought out "CS"
	200	452	Ruth Allington, Staff to Sen. Fahrenkamp
	225		Sen. Kelly
			Sen. Rodey moved "do pass" with ind. recommendations
	263	SB 510	Chairman Sturgulewski brought out "CS"
	321		Mitch Gravo/ Anchorage Municipality
	333		Sen. Kelly -tax on books & freezing mill rate
	388		Terry Earley, Dept. C/RA
	414		Sen. Rodey moved to pass out with ind. recomm.
			No Objections
	422		Sen. Sturgulewski packet of letters on whole tax
			related concerns - real property sent out....
	458		MEETING ADJOURNED

Committee Log Book - 1980

Tape Number XXI
Cassette 1 & 2
Side Number 1 & 2

SENATE C/RA

Committee

Members present: Chairman Sturgulewski., Kelly, Mulcahy, Stimson
" absent: Senator Rodey

Dates 4/1/80 to --

Bill Numbers Discussed

SB 451	SB 452	SB 370	SB 389	SB 510					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/1/80 1:30 p.	008	SB 451 & 452	Chairman Sturgulewski - gave summary on amendments
	177		Senator Fahrenkamp, sponsor, gave background
	313		Sen. Kelly re SB 451- Why not straight Appropriation?
	393	SB 370	Gary Crouse, Dept. of Public Safety, Fire Prot. Offic
			Sen. Kelly moved to Pass with individual recommendation. Bill passed out of Committee / Sen. Stimson / Sturgulewski "no ob
	520	SB 389	Jack Chenowith, Legal Office / Sen. Sturgulewski
	619		Terry Earley, Dept. C/RA/ Tax Assessor
	773		J. Chenoweth, Amendment - New amendment giving C/RA ability to determine adjacent parcels.
Side 2	000		Frank Lee, Sen. Bradley's AA, re parcel/tract
	102		Gary Jenkins, Private Citizen
	206		Carl Haggerup, Private Citizen/ Sen. Sturgulewski
	356	SB 510	Chairman Sturgulewski / Bill Summary
	391		Jack Chenoweth, Legal Office
	604		Dept. C/RA
	671		Gary Jenkins, Dept. of Revenue
	691		Mitch Gravo, Anchorage Municipality,
	833		Ginny Chitwood, AML, funding- municipality reim. pre conditional exemption based on reimbursement
Cassette 2			Senator Sturgulewski Senator Kelly
	055		Jack Chenoweth, Legal Office failure to fund

over

Senator Kelly, retroactive

3:15 p.m. - meeting adjourned

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Senate C/RA

April 1, 1980

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
	Ginny Chitwood	2041 - Franklin St Juneau Ak	Ak Municipal League
SIO	Mitch Gravo	Pouch 6-650 Anch	Mun of Anch

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

Official Business

March 31, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Mike Colletta
Senator Don Bennett
Senator Brad Bradley
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Frank Ferguson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building, Butrovich Room

Tuesday, April 1, 1980 - 1:30 p.m.

SB 370 - An Act relating to fire prevention

SB 389 - An Act relating to the senior citizens tax exemption

SB 510 - An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date

SB 451 - An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils

SB 452 - An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date.

SB 351 - An Act relating to state aid to local governments; and providing for an effective date

SB 64 Newk

To Sen CLRA.

Came

(I Won't - Straight

Sen Commerce (Sponsor)

from)

Sen Senate

to

T

SB 510



City of Pelican

BOX 757 – PELICAN, ALASKA 99832 – PHONE 735-4101

April 23, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Thank you for your information on SB 510 and SB 64. The Pelican City Council has discussed both bills and feels that they should oppose both SB 510 and SB 64.

The data figures presented to you showing merchandise inventory for Pelican were understated. In 1979 the merchandise inventory figure for Pelican was $894,889. At a mill rate of 7.5 mills that revenue was $6,711.67, 19% of our total property taxes. In 1980 the approximate merchandise inventory will be $1,043,800. At the same mill rate of 7.5 mills the revenue would be $7,832.87, or 18% of ou total property taxes.

We strongly feel that SB 64 would seriously damage our tax base. Property owners would have to bear the extra burden, therefore unfairly. raising their taxes.

The SB 510 proposed state reimbursement, that also, does not meet with council approval. The merchandise inventory tax is passed on the the consumer. In that way, the transient people , that utilize our facilities, are in some way, paying a share of there support. We feel this is a fair way of collecting for this tax.

We hope you seriously consider the consequences of these two bills. Thank you for the opportunity to express our opinion of these bills.

Sincerely,

Jake Peart

Jake Peart, Mayor

JP/ec

cc: Representative Dick Elison
Senator Pete Meland

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 27, 1980

SENATE BILL 510

Attached is a copy of SB 510 showing changes desired to be incorporated into a Committee Substitute. This bill is scheduled for public hearing April 1, at 1:30 p.m.

The intent of this Committee is as follows:

The Department of Revenue is to be deleted. The program is to be similar to that of the senior citizen exemption program with municipalities. The Department of Community and Regional Affairs will receive appropriated monies from the Legislature to dispurse to the municipalities accordingly.

In order for a municipality to qualify, they must request businessmen in their area to submit inventory listings to them, and based on those filed inventories, reimbursement will be made from the state.

Attachment.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907-465 3800

MEMORANDUM April 3, 1980

SUBJECT: CSSB 510, relating to the business inventory tax exemption

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

FROM: John B. Chenoweth
Legislative Counsel

The committee's decision to make the business inventory tax exemption one which is "conditional" on annual full funding of reimbursement by the legislature strongly suggests that inclusion of reference to the business inventory tax may not properly be included in the list of mandatory tax exemptions under AS 29.-53.020(a). The committee substitute presents the material as a new codified section, AS 29.53.023.

*

The "conditional" provisions are to be found in sub-sections (d) and (e). Briefly, the approach taken requires the commissioner of the administering department to certify, within a relatively short time after the governor has had opportunity to review and take action on the amount appropriated for reimbursements to municipalities payable under this program, whether there will be enough money to reimburse local governments 100 percent of every dollar due. If not, the commissioner must compute and report the pro ration fraction. Thereafter, municipalities may secure, from businesses reporting inventory, the difference in revenue based on application of the municipal millage rate to the portion of the business inventory value for which reimbursement is not forthcoming. By way of example:

As part of the budget process, in FY 00, the department estimates and presents a budget request based on

Full reimbursement to all municipalities	$12,000,000
Reimbursement to specific municipalities:	
Anchorage	
Estimated business inventory value:	$700,000,000
Anticipated millage rate:	10 mills
Estimated return from inventory tax:	$ 7,000,000
Kodiak Island Borough	
Estimated business inventory value:	$ 50,000,000
Anticipated millage rate:	4 mills
Estimated return from inventory tax:	$ 200,000

The legislature appropriates the full $12,000,000 before leaving Juneau on May 20th. The governor has 20 days (Sundays excepted) to act on the bill. He does so, reducing the appropriation to $9,000,000. Immediately, the commissioner must certify that the amount available to fund an estimated $12,000,000 in reimbursement requests is $9,000,000 and that reimbursement to municipalities will amount to 9/12ths or 75 percent.

By the second half of June, then, the Municipality of Anchorage, with an estimated business inventory value of $700,000,000 and an expected millage rate of 10.0 mills determines

(1) that it will receive 75.0 percent of its anticipated business inventory receipts ($7,000,000) from the state: $5,250,000 from the department; and

(2) that it can recover the balance, $1,750,000 by a levy of 10 mills on 25 percent of the value of all business inventory:

$700,000,000 x 25% = $175,000,000
multiplied by millage rate of
10 mills (or 1 percent) = $1,750,000

The same approach may be taken by the Kodiak Island Borough:

(1) 75 percent of anticipated receipts, or $150,000, from state reimbursement;

(2) 25 percent of anticipated revenue by levy against 25 percent of the value of business inventory in the municipality:

$50,000,000 x 25% = $12,500,000
multiplied by millage rate of 4 mills = $50,000

Amounts payable by the state would be transmitted in the first part of FY 01.

JBC:ljb

Enclosure

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 510

Title Exempts business inventory from taxation-Lost revenues reimbursed by state

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Community Assistance Grant

(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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			39.3	42.4	45.8	49.5
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES			14.4	14.4	14.4	14.4
500 EQUIPMENT			5.0	1.0	1.0	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			12,329.2	13,192.2	14,115.7	15,103.8
TOTAL			12,387.9	13,250.0	14,176.9	15,168.7

FUNDING (Thousands of Dollars)

GENERAL FUND			12,387.9	13,250.0	14,176.9	15,168.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			2	2	2	2
PART TIME						
TEMPORARY						

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

General Comments:

The figures following are based upon information received by this office in 1979 from municipalities involved. The updated figures were obtained by taking into account, the inflationary rate, the general decrease of mill rates, and the expected growth of businesses around the state.

Factual Data:

The estimated data used was as follows:

inflationary rate	=	+12%
decrease of millrates	=	-22%
business growth	=	+5%
increase in assessed value	=	+12%
1980 overall increase factor	=	+7%

SVS

IV. DATE _____ PREPARED BY Steve Van Sant

AGENCY Community & Regional Affairs

PHONE 465-4787

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

1979 GENERATED REVENUE BY BUSINESS INVENTORY

Municipality	1979 Revenue	1980 Revenue (7% over 1979)
Anchorage	$ 7,187,122	$ 7,690,221
Bristol Bay	17,068	18,263
Haines	181,540	194,248
Juneau	212,156	227,007
Ketchikan	548,902	587,325
Kodiak	12,737	13,629
Matanuska/Susitna	48,767	52,181
North Slope	151,578	162,188
Sitka	67,323	72,0[illegible]
Dillingham	1,425	1,[illegible]
Nenana	3,464	3,[illegible]
Nome	53,209	56,934
Pelican	3,332	3,565
Petersburg	35,969	38,487
Skagway	10,111	10,819
Unalaska	3,818	4,085
Wrangell	38,156	40,827
	$ 8,576,677	$ 9,177,046

* It is questionable as to whether or not Fairbanks and Kenai, who currently exempt business inventory, would repeal the exemption and begin taxing inventories to take advantage of this program. If these two municipalities did begin taxing inventories, the fiscal note would change as follows:

Fairbanks estimated inventory value 1979	=	$ 101,016,740
Kenai estimated inventory value 1979	=	71,684,601
Estimated total revenue including 7% increase	=	3,152,165
Total revenue of other municipalities	=	$ 9,177,046
Estimated total revenue lost	=	$ 12,329,211

Other Expenditures

According to the Department of Revenue, there were 33,000 business licenses issued statewide in 1979. They expect a 5% increase for 1980. We have assumed 80% of these businesses are located within organized municipalities. It is assumed therefore, the Department will have to process almost 28,000 applications for reimbursement under SB 510. The Department will require two new positions with expenditures as follows:

2 clerk/typist III - Range 8A 1277	=	$30,648
Benefits @ 28%	=	8,581
Equipment	=	4,000
Supplies	=	1,000
Office space 800 sq.ft. @ $1.50 psf	=	14,400
		$58,629
Reimbursement Total	=	$12,329,211
Total Program Cost	=	$12,387,840

F. T. DUGAN, JR.
MANAGER

TELEPHONE (AREA CODE 907) 276-3614

GraybaR
ELECTRIC COMPANY, INC.
5501 "A" STREET
P.O. BOX 4-2600
ANCHORAGE, ALASKA 99509
TELEX 090-25-140

March 24, 1980

Ms. Arliss Sturgulewski, Senator
Alaska State Legislature
Pouch V
State Capital
Juneau, AK 99811

Dear Senator Sturgulewski:

I would like to express my support of Senate Bill 510 which exempts business inventories from taxation by the Municipality.

Taxes are to cover the expense of governing and there should be no excess. When we have excess as we do now, taxes should be reduced so that we don't have any excess in the general fund.

Sincerely,

F.T. Dugan, Jr.
Manager

FTD/kjp

March 24, 1980

Honorable Arliss Sturgulewski
Alaska State Senate
Pouch "V"
State Capitol Building
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing to urge your support of Senate Bill 510 exempting business inventories from taxation. I happen to be associated with a large national corporation, however, I assure you the present Alaska business climate adversely affects large and small alike.

Sincerely,

D. D. Morris
3440 Purdue
Anchorage, AK 99504

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

11th FLOOR
STATE OFFICE BUILDING
POUCH S.
JUNEAU, ALASKA 99811

March 13, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Ms. Sturgulewski:

Your staff has contacted me regarding proposed Senate Bill No. 510. The bill would exempt the inventory of a business from municipal property tax and provides that the State would reimburse a Borough or City an amount equal to the revenue lost. The bill goes on to say that the State will determine the amount of reimbursement to a City or Borough based on inventory reported to the Department of Revenue on the income tax returns filed with this department. There are several reasons why this concept is not viable.

First of all, I am sure the authors of the bill are assuming that the Department of Revenue is already data capturing this information when an income tax return is filed. We do not data capture the information and it would be prohibitively expensive to do so.

Secondly, even if the Legislature decided that they wanted to pay the cost of the data capture, the information on the tax return is not in the proper format in that all inventories, wherever situated in the State of Alaska, are lumped together so that it would be impossible to identify the actual physical location for purposes of making the payment to a Borough or City.

Very truly yours,

Gary L. Jenkins
Director
Audit Division

04-D4LH

F. T. DUGAN, JR.
MANAGER

TELEPHONE (AREA CODE 907) 276-3614

GraybaR
ELECTRIC COMPANY, INC.
5501 "A" STREET
P.O. BOX 4-2600
ANCHORAGE, ALASKA 99509
TELEX 090-25-140

Fill w/ SB 510 file

March 31, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
State Capital
Juneau, AK 99811

Dear Senator Sturgulewski:

Thank you very much for your letter. Based on the information that I see in your letter, I would support Senate Bill 510 before supporting Senate Bill 64.

I feel that it is very important that the Municipalities still obtain funding from the State to offset there loss of revenue based on a decrease in business taxes.

To me it seems important that we find good programs and projects to spend the excess revenues that are coming in. It seems that this would be a good time to spend some money on moving the capital. It wouldn't be so hard to make Public Hearings if you were closer.

Sincerely,

F.T. Dugan, Jr.
Manager

FTD/kjp

F. T. DUGAN, JR
MANAGER

TELEPHONE (AREA CODE 907) 276-3614

GraybaR
ELECTRIC COMPANY, INC.
5501 "A" STREET
P.O. BOX 4-2600
ANCHORAGE, ALASKA 99509
TELEX 090-25-140

March 24, 1980

Ms. Arliss Sturgulewski, Senator
Alaska State Legislature
Pouch V
State Capital
Juneau, AK 99811

Dear Senator Sturgulewski:

I would like to express my support of Senate Bill 510 which exempts business inventories from taxation by the Municipality.

Taxes are to cover the expense of governing and there should be no excess. When we have excess as we do now, taxes should be reduced so that we don't have any excess in the general fund.

Sincerely,

F. T. Dugan, Jr.

F.T. Dugan, Jr.
Manager

FTD/kjp

March 24, 1980

Honorable Arliss Sturgulewski
Alaska State Senate
Pouch "V"
State Capitol Building
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing to urge your support of Senate Bill 510 exempting business inventories from taxation. I happen to be associated with a large national corporation, however, I assure you the present Alaska business climate adversely affects large and small alike.

Sincerely,

D. D. Morris
3440 Purdue
Anchorage, AK 99504

March 24, 1980

You have evidenced interest in Senate Bill number 510, An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date. The Senate Community and Regional Affairs Committee has scheduled a public hearing on this bill April 1, 1:30 p.m. in the Butrovich Room of the State Capitol Building. Because of the widespread interest in this bill by many members of the business community and by affected local governments, we tried to set up a teleconference meeting. Due to the heavy teleconference schedule, we find that any available date would put us past a reasonable time for consideration of this bill. Since we are moving well into the session, it's important that SB 510 go to the next committee of referral, Senate Finance.

We are enclosing some background information dealing with SB 510. One of the major problems that must be addressed is how to "hold harmless" the local municipalities in the event business inventories are exempted from taxation. The Department of Revenue feels a different approach than is outlined may need to be utlized to assure this recovery. As you can see from the attached information, the revenue loss could be very substantial to some seventeen municipalities throughout the state. Your comments and suggestions on this part of the bill will be greatly appreciated.

For your information, Senate Bill 64, An Act exempting business inventories from municipal property taxes; and providing for an effective date, sponsored by Senators Bradley, Dankworth, Bennett and Fahrenkamp was passed out of the Senate Commerce last week and is now in Senate Finance. Senate Bill 64 does not provide for municipal reimbursement.

We will look forward to receiving information from you regarding this important piece of legislation.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

Enclosure

HOWARD COOPER CORPORATION

P. O. BOX 739
ANCHORAGE, ALASKA 99510
(907) 279-5411

March 17, 1980

Senator Arliss Sturgulewski
Senate Community and Regional Affairs Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I has come to my attention that Senate Bill 510 is now in the Senate Community and Regional Affairs Committee.

I wish to encourage you to bring this bill before the committee for consideration as soon as possible.

Due to high interest rates and our present economic hardships we must have some type of aid, or we will be closing our doors and moving from the State of Alaska.

I feel Senate Bill 510 is the type of aid needed to keep small businesses open in Alaska.

E. E. SIDES
Vice President Alaska Operations

EES/jlp

HOME OFFICE:
PORTLAND, OR.
BRANCH OFFICES:
ANCHORAGE, AK.
ALEXANDRIA, LA.
EUGENE, OR.
FAIRBANKS, AK.
JUNEAU, AK.
MEDFORD, OR.
PENDLETON, OR.
ROSEBURG, OR.
SEATTLE, WA.
SPOKANE, WA.

Craig Taylor Equipment Company
733 Whitney Road, Anchorage, Alaska 99501
Sales · Service · Rentals 907/276-5050

March 18, 1980

Senator Arliss Sturgulewski
Alaska State Senate
Committee on Resources
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I wanted to write to to relate my support of Senator Summer's Senate Bill 510 which will exempt business inventories from Municipality taxes.

I could never understand why a business should be penalized for making goods available to Anchorage residents. Inventories are only another form of cash, (goods waiting to be turned into cash) so why shouldn't saving and checking account be subjected to the same tax. We all know the reason why, the banks would be cleaned out the last week of each December.

Senator this tax is directly passed on to every Alaska purchaser and is the unfairest tax in the land. I'm counting on Committee to report favorably on this bill and recommend a "do Pass" to the rest of the Senate.

Yours very truly,

CRAIG TAYLOR EQUIPMENT COMPANY

Jack H. Richardson

Jack H. Richardson
Alaska General Manager

JHR/baw

cc: Senator Bill Summer



TO Senator Arliss Sturgulewske
Regional Affairs Comm
Room V State Capitol
Juneau AK 99811

FROM
LIVESAY-WATERS, INC.
P. O. BOX 57
ANCHORAGE, ALASKA 99510
Phone: 272-4748 or 272-7519

SUBJECT: Senate Bill 510 - DATE: 12 March

FOLD

I hope you will bring this long needed legislation before your committee as soon as possible and support it's passage. - The business men of Alaska need to be rid of this penalty for hard work

Sincerely
Robert G Livesay

PLEASE REPLY TO ——→ SIGNED

REPLY

DATE: SIGNED

GRAVARE CO., INC., BROOKLYN, N. Y. 11212

THIS COPY FOR PERSON ADDRESSED

Alaska State Legislature

Senate

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

RECEIVED
MAR. 18

March 12, 1980

COPY

Mae Tischer
Muscular Dystrophy Association
915 West 6th Avenue
Anchorage, Alaska 99501

Dear Ms. Tischer:

I wanted to share with you a piece of legislation I recently introduced in which you might be interested. Senate Bill 510 exempts business inventories from taxation by the Municipality. I'm hopeful that such an exemption would be of some help in the economic survival of many Anchorage small businesses now facing real economic hardships.

The bill is now in the Senate Community and Regional Affairs Committee chaired by Senator Arliss Sturgulewski. I hope you'll encourage her to bring the bill up soon before the committee for consideration. I've taken the liberty of enclosing a copy of the bill and I would welcome any comments or suggestions you may have.

We can be successful in these efforts with your support. I hope to hear from you.

Sincerely,

Bill

BILL SUMNER
Senator

BS/cf
enclosure

Please turn over this page for response

March 17, 85

COPY

Send Response to: →
Mrs Fischer
3305 Oregon Drive
Anchorage, Ak 99503
272-3153

Dear Mr Sumner,

Although I appreciate notification of your SB 510 proposal, MDA is a not-for-profit health agency and therefore not affected.

However, as a private citizen, and 22 year resident of Alaska, Homesteader & mother of six, may I make some comments:

1. This bill appears to, in effect, shuffle tax money around from one pocket to another.

2. When will you politicians realize that a healthy economy can best be achieved by simply relaping the grip of <u>over-taxation</u> which is drowning the private sector, and feeding the bureaucracy into obesity.

3. Offer a bill to <u>suspend taxes on business profits</u> so that expansion will be encouraged and employment increased. Historically, this approach has been productive and had positive results in poor times. The benefits are seen in the private sector, and rightly so, if this country is to maintain some semblance of free enterprise. The fact that government may suffer a reduction of funds to feed egos could be termed as "just what the doctor ordered."

4. Read the mail, letters to editor, listen to the people who succeed (in spite of tax burdens) as small business — the businessmen & women. There's a better way than [illegible]

March 17, 1980

Senator Arliss Sturgulewski
Senate Community and Regional Affairs Committee
Pouch V
State Capital
Juneau, Alaska 99811

Dear Ms. Sturgulewski:

As a small independently owned business man, one of my major problems is how to serve our Alaska customers as well as our competition in Seattle does. The only advantage we have over the Seattle distributors is the stock we carry. However, in order to compete with the "outside" companies, we must price our items as low as they do. This means we must absorb the higher wages, the higher rent, and just generally the higher cost of doing business in Alaska. The Seattle distributor has none of these costs, nor does he create any employment in Alaska, nor pay any taxes.

One of our highest costs is the tremendous taxation that the Muncipality places on our business inventory. If we keep the inventory down, we cannot serve our customers in Alaska and cannot compete with Seattle. If we increase our inventory, we cannot afford to pay the taxes imposed upon us by the muncipality and still compete with Seattle businesses.

Would you please bring up Senate Bill 510 before your committee for consideration.

Thank you,

Ray Debenham

Ray G. Debenham
President

dd

DEBCO
debenham electric supply co., inc.
p. o. box 4-m anchorage, alaska 99503 phone (907) 279-7501 telex 90[illegible]-5176

bailey's
RENT-ALL INC

March 17, 1980

Senator Arliss Sturgulewski
Senate Community and Regional Affairs Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Sturgulewski,

We are writing in regard to Senate Bill 510, an act recently introduced by Senator Bill Sumner, which would exempt business inventory from municipal property tax levy.

We wish to urge you to bring this bill up soon before the Committee for consideration.

Attached is a copy of our letter to Senator Sumner stating our viewpoints, which we trust you will read and consider.

Small business is facing economic hardship at this time and we voice our appeal for tax relief.

Sincerely,
BAILEY'S RENT-ALL, INC.

Dorothea J. Lovejoy

Dorothea J. Lovejoy

DJL:s

101 E. NORTHERN LIGHTS BLVD., ANCHORAGE, ALASKA 99503 • PH. (907) 279-4541

ARA
american rental association

bailey's
RENT-ALL INC

March 17, 1980

Senator Bill Sumner
Pouch V
Juneau, Alaska 99811

Dear Senator Sumner,

Thank you for your letter concerning Senate Bill 510, an act exempting business inventory from municipal property tax levy.

We support you wholeheartedly! Our particular business which must support an extremely large inventory of equipment is hard pressed to meet the insurance and TAX expenses placed upon it! We are a service related business....offering our equipment for others to rent. A tax upon this type of inventory seems unfair, almost a penalty for buying and maintaining equipment for others to use.

In our present economic situation it is difficult for any business to aquire a desired inventory. Taxation even stifles business incentive to purchase and maintain stock. We welcome relief from a business personal property tax.

Thank you for your efforts.

Sincerely,
BAILEY'S RENT-ALL, INC.

Dorothea J. Lovejoy
Owner

DJL:s

c/Senator Arliss Sturgulewski

101 E. NORTHERN LIGHTS BLVD., ANCHORAGE, ALASKA 99503 • PH. (907) 279-4541

ARA
american rental association

Alaska State Legislature

Senate

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 12, 1980

Allen H. Shewe
KTVA-Northern Television
Post Office Box 2200
Anchorage, Alaska 99510

Dear Mr. Shewe:

I wanted to share with you a piece of legislation I recently introduced in which you might be interested. Senate Bill 510 exempts business inventories from taxation by the Municipality. I'm hopeful that such an exemption would be of some help in the economic survival of many Anchorage small businesses now facing real economic hardships.

The bill is now in the Senate Community and Regional Affairs Committee chaired by Senator Arliss Sturgulewski. I hope you'll encou age her to bring the bill up soon before the committee for consideration. I've taken the liberty of enclosing a copy of the bill and I would welcome any comments or suggestions you may have.

We can be successful in these efforts with your support. I hope to hear from you.

Sincerely,

Bill

BILL SUMNER
Senator

Arliss: Read the bill and it makes sense for helping the business man who's having such a struggle right now
Bill Shewe

Arthur Ronald Hauver
Attorney At Law
810 West 2nd Ave.
Anchorage, Alaska 99501
(907) 276-6354

March 17, 1980

The Honorable William Sumner
Senator
Alaska State Legislature
Senate Committee on Resources
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator:

Thank you for your letter of March 12. I have reviewed Senate Bill 510 and have two comments. First, I must say that relief from taxation for individuals and small businesses, in particular, seems to me to be an appropriate step to encourage growth and add impetus to the profit motive.

The particular bill which you have introduced, however, could have a negative side effect. Specifically, it seems to me possible that communities which do not presently levy tax on business inventories might be encouraged to do so by this legislation. Accordingly, to foreclose such a result, it appears to me that the reimbursement should be limited to municipalities which had property tax levies in effect on the date of the introduction of the bill (March 5, 1980).

My second comment is that by retaining the data collection and reporting mechanism (to verify the amount of tax loss to be reimbursed under the bill), the bill tends to perpetuate the municipality's bureaucracy. While the municipality will no longer have a requirement for a collection force, its record maintenance and data collection requirements are not significantly reduced. I wonder if a clause might be provided whereby the values are fixed based on the 1979 assessments, to be adjusted by an index varying with population and/or business licenses issued, or some other relatively simple but automatic adjustment factor. I would think that Commissioner Williams may have other equally appropriate indexing ideas. The beneficial effect, then, would be to alleviate, virtually entirely, the need for maintenance of municipal bureaucracies dealing with inventory taxes, altogether. Such an approach should also reduce the burden on the State in controlling and verifying the values reported.

I hope the foregoing suggestions have been helpful and that the Legislature sees fit to adopt the proposal.

Best personal regards,

Arthur R. Hauver

ARH:ag
cc: Senator Arliss Sturgulewski
Mr. Keith Specking
Commissioner Thomas K. Williams

AIRPORT MACHINERY

March 15, 1980

Senator Sturgulewski
Community and Regioral Affairs Committee
Pouch V
State Capitol
Juneau, AK 99811

Dear Senator Sturgulewski,

As a manager of a medium sized business firm in Anchorage that employs 44 people, I have many concerns about the financial health of our company as well as other business enterprises in our state.

Many firms have gone bankrupt recently and many more are experiencing serious financial difficulty because increasing operational costs, inflation, and legislation that suffocates free enterprise.

Everyonce in awhile a bill pops up that is like a "breath of fresh air" and Senate Bill No. 510 is one of those.

Senate Bill No. 510 is by no means a cure-all for our troubled business climate but it is a very positive step in the right direction.

I urge you, Senator, to bring Senate Bill No. 510 before the committee for consideration as soon as possible. I also urge you to support this bill with you best efforts.

Sincerely,

Alt Haug

Aldon (Alt) J. Haug
Vice President & General Mgr.

AH/ls

CC: Senator Bill Sumner

AIR PHOTO TECH
INCORPORATED
PHOTOGRAMMETRIC CONSULTANTS

March 14, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
State Capitol
Juneau, AK 99811

Dear Senator Sturjulewski:

I am writing to encourage the movement and passage of Senate Bill Number 510. My business is not affected directly by inventory since we maintain no merchandise inventory, however, my interest is stimulated by my concern for the poor economic condition among small business people in Alaska while at the same time our State Government has never before had so much cash at hand. Business inventory tax upon Alaskan small business' can only be described as a discriminatory measure which favor suppliers in the Northwest and serves to keep Alaskan inventories at a minimal level much to the disservice of the consumer public.

I also feel that the legislature should make every effort to eliminate nuisance types tax wherever possible.

Sincerely,

AIR PHOTO TECH, INC.

Tillman R. Fesperman
President

TRF/car

cc; Senator Bill Sumner

2013 MERRILL FIELD DRIVE ANCHORAGE, ALASKA 99501 — (907) 272-4495 - TELEX 090-25332

A. Copied

senco alaska, inc.

senco fastening systems

877 DOWLING ROAD
ANCHORAGE, ALASKA 99502
(907) 349-1522 or
(907) 349-1523

March 20, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Re: Senate Bill No. 510

Dear Senator Sturgulewski:

I am writing to encourage you to bring Bill No. 510 up before the committee for consideration.

I understand that the bill is now in the Senate Community and Regional Affairs Committee chaired by you. I feel that this bill would be of great help in the economic survival of many Anchorage small business, now facing real economic hardships.

Thank you for your actions in this matter.

Sincerely,

Jack C. Butt

JB:bb

Gene's Realty Barbara J. Hill, Broker

Earl E. (Gene) Silberer, Founder

700 G Street, Suite 211
Anchorage, Alaska 99501

Alaskan Realtors for 20 years

Phone: (907) 276-7909

March 14, 1980

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

Re: SB 510

Dear Arliss,

Attaching copies of letter and SB 510 received from Senator Bill Sumner, this date.

I have reviewed same, this appears to be a potential relief for many business's paying inventory tax, our firm would not be effected, however there is need to give relief wherever possible to all businessmen.

I am not convienced that waiving State Income Tax is proper, and definitely not in favor of handing out sums of monies to Alaskans just because the funds are there and we are fortunate enough to be here.

Would appreciate you efforts on a long term mortgage financing bill, similiar to the short term $105 Million recently released. I do want to see criteria attached to it such as the FNMA guidelines in the previous financing.

Most of us have a great many problems with SB 1, understand Senator Hohman has introduced something else, would it be possible for you to send me a copy of it?

I am sure there are a great many requests for "excess funds" and appreciate your keeping a "conservative eye" on them as much as possible.

I have recently been appointed by Governor Jay Hammond to the Real Estate Commission. Can't express how very please I was to accept.

Want to take this opportunity to thank you for your continued efforts on the behalf of all Alaskan citizens.

Sincerely,

Barbara J. Hill

Enclosures

Alaska State Legislature

Senate

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

COPY

March 12, 1990

Barbara Hill
Gene's Realty
700 G Street Suite 211
Anchorage, Alaska 99501

Dear Ms. Hill:

I wanted to share with you a piece of legislation I recently introduced in which you might be interested. Senate Bill 510 exempts business inventories from taxation by the Municipality. I'm hopeful that such an exemption would be of some help in the economic survival of many Anchorage small businesses now facing real economic hardships.

The bill is now in the Senate Community and Regional Affairs Committee chaired by Senator Arliss Sturgulewski. I hope you'll encourage her to bring the bill up soon before the committee for consideration. I've taken the liberty of enclosing a copy of the bill and I would welcome any comments or suggestions you may have.

We can be successful in these efforts with your support. I hope to hear from you.

Sincerely,

Bill

BILL SUMNER
Senator

BS/cf
enclosure

AIR VAN LINES, INC.
209 POST ROAD
ANCHORAGE, AK 99501
907-272-0536
TELEX 090-25-316

March 18, 1980

Senator Arliss Sturgulewski
Senate Community And Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator:

We have read with interest the contents of SB510 introduced by Senator Sumner and solicit your cooperation to bring this bill up for committee consideration as soon as possible. We feel that it is legislation like this which will benefit the samll business community in these difficult times.

At the same time we would also like to solicit your support for SB370- Fire Protection Bill. We feel that this legislation will be of great benefit to the community as a whole and especially as it relates in trying to eliminate the loss of permanent jobs caused by fire.

Sincerely yours,

Jack L. Thompson
Vice President &
General Manager

JLT/jh

KENNETH C. HUME
225 Cordova, Bldg. B #309
Anchora e, Alaska 99501

(907) 272-8633

DATE 3-16-80

TO

Senator Arliss Sturgulewski
Pouch V, State Capitol
Juneau, AK. 99811

SUBJECT

SB 510

Dear Arliss;

Understand this bill is in the Senate Community and Regional Affairs Committee and believe it would help.

This type of legislation is much better than trying to distribute the wealth as Hammond proposes — Easier to administrate, gets to business that needs help — and really helps the economy which helps all the people. Reduces cost of business which holds prices to the consumer.

SIGNED

☐ PLEASE REPLY ☐ NO REPLY NECESSARY

D. of Alaska, Inc.
700 H, Suite 3
ANCHORAGE, AK 99501

(907) 272-8633

DATE 3-16-80

TO

Senator Bill Sumner
Pouch V, State Capitol
Juneau, Alaska 99811

SUBJECT

SB ~~[illegible]~~ 510

Dear Bill:

I certainly support this bill but also believe it would help to make it retroactive to 1-1-79

This type of legislation helps all businesses - including those that are in trouble.

Would like a bill to pick up a percentage of Unemployment insurance and workmen's comp. which would also help all business.

SIGNED

☐ PLEASE REPLY ☐ NO REPLY NECESSARY

Taxes, taxes, taxes

Dear Editor:

It is most interesting that the Legislature passed retroactive pay raises and that the governor is attempting to count the number of employees in his budget.

In the meantime, I have received correspondence that my mortgage payments will be increased because of increased taxes and also that my workmen's compensation rate has been increased retroactive to Dec. 1, 1979, because of increased benefits being given by the state.

As of Dec. 31, 1979, the Alaska Permanent Fund had a balance of $256,009,283.53 and the Legislature plans to place an additional $900,000,000, bringing that fund to over one billion dollars. A lot of money when they don't even know what to do with it.

I am sure that the State of Oregon doesn't have that kind of money and yet property owners and renters received tax relief in 1979 and are receiving additional relief in 1980.

It would certainly appear that those highly paid people in Juneau could do something for the taxpayer and business of this state. I support eliminating the state income taxes and believe that property tax is another area that should be given relief, including a plan like Oregon where the renter gets relief.

The income tax gives credit to those who are making money. But how about business and the elimination of the $10 school tax that is a nuisance. Perhaps if the state would also pick up a percentage of workmen's compensation and unemployment insurance they would take a greater interest in how this money is spent. This would give relief to many of the small businesses who are paying the tax even though they are not even making money.

Kenneth C. Hume
700 H. St., Suite 3

McGRANE JEWELERS
413 D Street
ANCHORAGE, ALASKA 99501

Phone 279-5020

DATE 3-15-80 ☐ URGENT ☒ SOON AS POSSIBLE ☐ NO REPLY NEEDED

FILE NO.

ATTENTION

SUBJECT SENATE BILL 510

TO SENATOR ARLISS STURGULEWSKI
POUCH V STATE CAPITOL
JUNEAU, AK. 99811

MESSAGE

INVENTORY TAX IS ONE OF THE WORST THINGS GOING FOR BUSINESS - NOT ONLY DON'T WE BUY WHEN ITS DUE BUT REDUCE TO SAVE TAXES -- FOR SOME COMPANIES THIS MEANS LESS WORKERS - MY SELF - I HAVE SOME ITEMS IN STOCK I'VE BEEN PAYING TAX ON YEAR AFTER YEAR -

SIGNED Bob

REPLY

DATE OF REPLY

SIGNED

McGRANE JEWELERS
413 D Street
ANCHORAGE, ALASKA 99501

DATE 3-27-80

☐ **URGENT**
☐ SOON AS POSSIBLE
☐ NO REPLY NEEDED

FILE NO.

ATTENTION

SUBJECT

TO Phone 279-5020

SENATOR BILL STEVENS (DEM)
POUCH V STATE CAPITOL
JUNEAU, AK. 99811

MESSAGE

THANKS FOR THE COPY OF SENATE BILL 64 - DOESN'T LOOK LIKE IT WOULD COST THE STATE THAT MUCH & WOULD SURE HELP US - AS I MENTIONED BEFORE, I'M PAYING TAX ON SOME INVENTORY FOR 10 YEARS - WHY SHOULD I GET NEW SHOW CASES - & PAY TAX ON THEM

SIGNED Burt McGrane

REPLY

DATE OF REPLY

SIGNED

RECIPIENT: WRITE REPLY, RETURN WHITE TO SENDER. KEEP THIS PINK COPY.

ALASKA MUNICIPAL LEAGUE FINANCE FACT SHEET

Revenue Sharing

FY '80	Entitlement	$27,031,915
FY '80	Appropriation	$20,236,000
	Shortfall	$ 6,795,915
FY '80 Entitlement With Inflation Factor Applied		$38,891,494
FY '81 Proposed Executive Budget		$26,565,000

Municipal Assistance - General & Petroleum Corporate Income Tax

FY '79 Last Year Under 60% of Gross Business License Tax		$13,400,000
FY '80	10% of FY '79 Corporate Income Tax Revenues	$25,700,000
FY '80	Appropriation	$11,400,000
	Shortfall	$14,300,000
FY '81	10% of FY '80 Corporate Income Tax Revenues	$41,700,000
FY '81	Proposed Executive Budget	$11,400,000
	Shortfall	$30,300,000

School Construction Debt Payments

FY '79	Entitlement	$27,868,182
FY '79	Appropriation	$22,273,300
	Shortfall	$ 5,594,882
FY '80	Entitlement	$30,812,110
FY '80	Appropriation	$24,081,000
	Shortfall	$ 6,731,110
FY '81	Estimated Entitlement	$30,410,000
FY '81	Proposed Budget	$25,210,000
	Shortfall	$ 5,200,000

STATE REVENUE SHARING - INFLATED RATES
Based on Anchorage CPI 1971 to 1979

MUNICIPAL SERVICE	PRESENT RATE OF ENTITLEMENT	FISCAL YEAR RATE WAS ESTABLISHED	% INCREASED BASED ON ANCHORAGE CPI INDEX	RATE ADJUSTED FOR 1979 INFLATION
Police Protection	$ 12.00 per capita	1975	40%	$16.80
Military	6.00 per capita	1975	40%	8.40
Fire Protection	7.50 per capita	1976	30%	9.75
Air/Water	2.00 per capita	1971	89%	3.78
Land Use Planning	2.00 per capita	1971	89%	3.78
Parks & Recreation	5.00 per capita	1971	89%	9.45
Military	1.25 per capita	1974	60%	2.20
Transportation Facilities	5.00 per capita	1971	89%	9.45
Military	2.50 per capita			4.00
Road Maintenance				
Public Roads	1,500.00 per mile	1971	89%	2,835.00
Ice Roads	900.00 per mile	1976	30%	1,170.00
Health Facilities	1,000.00 per bed or	1971	89%	1,890.00
	4,000.00 per facility			7,560.00
Health Services	2.00 per capita	1977	23%	2.46
Hospitals	75,000.00 per hosp. or	1977	23%	92,250.00
	25,000.00 per hosp. or			30,750.00
	1,000.00 per bed			1,230.00
State Construction Aid	2,500.00 per bed or 5% of total project cost	1972	84%	4,600.00

FY 80 totals $27,031,915

$38,891,494

Municipality	Per Capita Cost for: police	fire	pollution	planning	P & R	Trnsp.	Mill levy: 1970	1979
Mun. of Anchorage	$ 120	75	-	-	40	75	21.98	14.44
Cordova	-	-	-	-	-	-	14	17
Dillingham	84.48	11	10.63	3.20	12.71	50.56	15.5	10
Fairbanks	97	109	64	-	-	-	10	8.5
Haines Borough		836.69					4.5	2
Kenai	124	124	82	-	16	26	7	12.5
KPB	-	-	-	-	-	-	5	2.5
Ktn. Gateway Bo.	-	39.32	-	21.96	86.39	-	4	4.5
Mat-Su Bo.	-	-	-	-	-	-	14	7.4
Palmer	176	43	44	-	-	16.50	4.5	5
Petersburg	145.41	18.45	85.46	14.48	4.69	33.53	no answer	
Skagway	115.16	29.16	-	-	9.33	-	20	8.3
Unalaska	550	112	-	-	8	4	19	14
Wrangell	74.75	16.45	33.32	1.45	5.71	27.87	no answer	
Yakutat		36.20					last 4 yrs. - 13.7	

Out of 13 municipalities who responded to the questionnaire in regard to the mil levy, only four had not lowered their mil levy, most of them lowered it considerably.

CATEGORY: DEVELOPMENT **AGENCY:** REVENUE

PROGRAM: COMMUNITY DEVELOPMENT **BRU (s):** SHARED TAXES

The Shared Taxes BRU assists local governments through the sharing of revenue generated from numerous state taxes.

The Shared Taxes BRU is charged with the responsibility of administering, in an accurate and timely manner, shared revenue accounts with local city and borough governments. Specified percentages of revenue generated within local municipal boundaries are returned to the local units in accordance with statutory provisions. The various shared taxes are Municipal Assistance, Aviation Fuel, Fisheries, Telephone and Electric Co-op, Liquor License, and Amusement and Gaming License. Chapter 144, SLA 1978 abolished the Gross Receipts Tax.

In FY 80, distribution of revenues and taxes amounted to $14,417,100. The Governor's budget for the FY 81 distribution for all revenues and taxes will be $16,670,000. With the exception of Municipal Assistance, the recommendation equals 100% of anticipated revenues for each tax as determined by statutory formula. The recommendation for Municipal Assistance is the same dollar amount as FY 80.

Costs associated with administration of this program are budgeted within the Administration and Support BRU, General Government Category, within the Department of Revenue.

Phone Contact for more Information: Phil Wall 465-2313

SERVICE MEASURES	FY 79		FY 80	FY 81	
	Plan	Actual	Plan	Continuation	Total
Municipal Assistance	NEW	PROGRAM	$11,400.0	$11,400.0	$11,400.0
Liquor Tax	$608.0	$577.5	$555.0	$555.0	$600.0
Amusement and Gaming Tax	$74.1	$32.5	$36.0	$36.0	$36.0
Raw Fish Tax	$1,751.3	$1,739.1	$1,066.1	$1,066.1	$2,500.0
Electric and Telephone Co-op	$1,792.4	$1,792.4	$1,250.0	$1,250.0	$2,000.0
Aviation Fuel Tax	$134.0	$130.6	$110.0	$110.0	$134.0

FCCS
CSSB
7

SENATE LETTER OF INTENT

ON
FCCS CSSB 7

Senate Bill 7 was the result of decisions made late in the 1978 legislative session. The Committee recognizes that it is not a perfect approach to revenue sharing, but there was insufficient time to address the overall question.

The intent of the revenue sharing portion of FCCS CSSB 7 is to refund approximately 150% of the revenues lost to municipalities by reason of the repeal of the Alaska Gross Business License Tax. It is the intent and purpose of the Legislature that one-third of the receipts of Sec. 43.20.016 be used to reduce property taxes in the municipalities involved, and that the additional money not be used for more services. The Committee recognizes that Sec. 43.20.016 is an imperfect vehicle to assure compliance with this intent and that some administrative problems will result from its passage. Thus AS 43.20.016 is not to be regarded as anything other than a temporary expedient, to be refined and improved by future Legislatures.

It is the sense of the Committee that the entire question of revenue sharing should be evaluated by the Eleventh Legislature and that Sec. 43.20.016 be reviewed in that context.

Respectfully submitted,

Sen. Clem Tillion, Chairman Rep. Orel Freeman, Chairman

The Secretary was requested to notify the House.

June 16, 1978

FCCS
SB
409

Mr. President:
Mr. Speaker:

The Free Conference Committee which has had SENATE BILL NO. 409 and SENATE BILL NO. 409 amended House under consideration recommends that FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 409 be adopted.

Senator Members: Senator Rodey, Chairman, and Senators Croft and Hackett. House members: Representative Gruening, Chairman, and Representatives Duncan and Carpenter.

SB510

3/16/80

Jerry
Tom Nerland

Raised concern over the
tax on mentones. Would
Senator make himself
contact Sen.

SB 510

staff – CRA good fiscal analysis info on communities affected

also see
SB 138
431
296
299
427
389
456
465
360
154

SB510 3/10/80 Dave Rose

Exempts business inventories. Not so much for cities. Cuts out problem small assessments.

Does this include oil/gas inventories --
substantial $ to
43-7000 - Depreciation. Need to check.
OK if small D.T. Debt —

Dear Arliss,

Altho it was a brief one, my employ with the D.A.A.B. some years back gave me the opportunity to discover that ~~that~~ the local coffers are in need of a good shrinking experience. I quickly learned that there is terrible waste, exaggerated needs, and worst of all, six months out of each year, for at least two employees, practically full time, spent in thinking up ways to figure out how to keep their budget at least as big as it was the previous year.

So I have little sympathy for this dilemma, which municipalities profess they would be in.

The principle of taxation originally was intended to provide for a lot less than what the administrators of government now profess the citizen needs.

Our founding fathers were victims of such oppressions and were meticulously careful to write such powers out of the Constitution.

I suggest that re-imbursement as described is unnecessary. I also suggest, further, that the dollars which are taken, be left in the hands of the private sector where they do the most good.

Someone said To Govern does not give license to control. I ask you Arliss, what part of our lives does the government, local, State or Fed, not control today? Take heed of this in your work. Sincerely

Mac

3/16/80

SB510

Jerry Neland

Neland: ~~Home~~ Financing

Amb.

Notify of mtg

9/

3/26
1:55

Ted Burns

tried to get
Pat McKee on
SB510, but missed
him - McKee may
call you directly.
Burns will see him
first thing AM & talk to
him about it - K

RECEIVED
MAR. 27

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Mae Tischer
~~Muscular Dystrophy~~ Association 3305 Oregon Dr
~~915 West 6th~~ Avenue
Anchorage, Alaska ~~99501~~ 99503

T
2nd
SB 510
91

Dear Ms. ~~Tischer~~: Mae,

You have evidenced interest in Senate Bill number 510, An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date. The Senate Community and Regional Affairs Committee has scheduled a public hearing on this bill April 1, 1:30 p.m. in the Butrovich Room of the State Capitol Building. Because of the widespread interest in this bill by many members of the business community and by affected local governments, we tried to set up a teleconference meeting. Due to the heavy teleconference schedule, we find that any available date would put us past a reasonable time for consideration of this bill. Since we are moving well into the session, it's important that SB 510 go to the next committee of referral, Senate Finance.

We are enclosing some background information dealing with SB 510. One of the major problems that must be addressed is how to "hold harmless" the local municipalities in the event business inventories are exempted from taxation. The Department of Revenue feels a different approach than is outlined may need to be utlized to assure this recovery. As you can see from the attached information, the revenue loss could be very substantial to some seventeen municipalities throughout the state. Your comments and suggestions on this part of the bill will be greatly appreciated.

For your information, Senate Bill 64, An Act exempting business inventories from municipal property taxes; and providing for an effective date, sponsored by Senators Bradley, Dankworth, Bennett and Fahrenkamp was passed out of the Senate Commerce last week and is now in Senate Finance. Senate Bill 64 does not provide for municipal reimbursement.

We will look forward to receiving information from you regarding this important piece of legislation.

Sincerely,

Arliss Sturgulewski

Arliss Sturgulewski
Senator, District 10-H

(over)

Mae Tischer
3305 Oregon Dr
99503

Enclosure

SB
534

Committee Log Book - 1980

Tape Number XXIII

SENATE C/RA

Committee

Side Number 1

Dates 4/17/80 to ----

PRESENT: Senators Mulcahy, Rodey, Stimson, Kelly and Chairman Sturgulewski

Bill Numbers Discussed

SB 534									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p 4/17/80	005	SB 534	Chairman Sturgulewski opened meeting and gave bill summary
		200	Lee Sharp, Juneau City/Borough Attorney
		368	Steve Van Sant, Dept. C/RA
		478	Phil Wall, Dept. Revenue
		684	Adjourned.
			NOTE: Bill Sponsor (Sen. Bradley) did not appear.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

April 17, 1980

TO: Senator Bob Mulcahy, Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Senator Arliss Sturgulewski, Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Rm.

Thursday, April 17 - 1:30 p.m.

SB 534 - An Act authorizing rebate of a portion of real property taxes and special assessments paid on the principal place of residence of a state resident; and providing for an effective date.

Senator Mulready

moved SB534

(State Affairs)

today

as

COMMITTEE REPORT

SENATE

4/3/80

FURTHER: Finance

Date: _____

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SB 534

authorizing rebate of a portion of real property taxes and special assessments

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 [ ] new title

and recommends _____

[ ] 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:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S – JUNEAU 99811

April 3, 1980

The Honorable Bob Mulcahy
Senate State Affairs Committee
Room 514 - Capitol Building
Juneau, Alaska 99811

Dear Senator Mulcahy:

Re: Senate Bill No. 534

Senate Bill No. 534, an Act authorizing rebate of a portion of real property taxes and special assessments paid on the principle place of residence of a state resident, was introduced in the Senate on March 27, 1980 and was referred to the Senate State Affairs; Senate Community and Regional Affairs and Finance Committees.

For the consideration of the Senate State Affiars Committee, I am enclosing copies of Fiscal Notes prepared by P. A. Wall, Director, Administrative Services Division and Barbara Sorensen, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Arliss Sturgulewski
Chairman
Senate Community & Regional
Affiars Committee

The Honorable John Sackett
Chairman
Senate Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Serivces Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 534

Title Authorizing rebate of a portion of real property taxes & special assessments paid ~~XXXXXXXXXX~~ on the principal place of residence of a State resident. Date 3-28-80

Requested by

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administration & Support, Management 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		97.8	84.5	90.5	96.8	103.6
200 TRAVEL						
300 CONTRACTUAL		62.4	66.8	71.4	76.4	81.8
400 COMMODITIES		2.5	2.7	2.9	3.1	5.2
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		162.7	154.0	164.8	176.3	190.6

FUNDING (Thousands of Dollars)

GENERAL FUND		162.7	154.0	164.8	176.3	190.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2/24mm	2/24mm	2/24mm	2/24mm	2/24mm
PART TIME		5/18mm	5/15mm	5/15mm	5/15mm	5/15mm
TEMPORARY						

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

The Department of Community and Regional Affairs estimates that 125,000 of the estimated 196,900 property parcels in the State will be eligible for payments under SB 534. The Department will promulgate regulations. Application forms will be designed, printed and distributed. The receipt and processing of 125,000 applications and resulting payments will occur each year. Community and Regional Affairs has estimated a five percent growth.

(continued on next page)

IV. DATE April 2, 1980 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance

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

33-001 (Rev. 12/79)

Positions

1 PPT Systems Analyst, 6 mms @ $2,465 per mo.	=	29.6
Benefits - 4.4, FICA - 2.0, H.I. - 1.5	=	7.9
2 PFT Tax Scanners, R 8 @ $1,277	=	30.6
Benefits 4.6, FICA - 2.0, H.I. 3.0	=	9.6
4 PPT Tax Scanners, R 8, 3 months ea. @ $1,277	=	15.3
Benefits - 2.3, FICA - 1.0, H.I. - 1.5	=	4.8

Other Expenditures

Forms, 125,000 @ $30M	=	3.8
Envelopes, 125,000 @ $11.54M	=	1.4
Warrant Stock, 125,000 @ $35	=	4.4
Postage, 125,000 @ 15 cents ea. for payments	=	18.8
125,000 @ 10 cents ea. for forms distribution	=	12.5
DP Chargeback - Storage & Processing	=	18.0
Miscellaneous Contractual Insurance, Phone Calls, Maintenance	=	3.5
Commodities	=	2.5

1	POSITION TITLE Systems Analyst			RANGE/STEP 18A	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	DISAP.
2	TYPE OF POSITION PPT	STAFF MONTHS 6	RP No.	PCN No.	PRIORITY SB 534	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	29.6	
5	BENEFITS	4.4	
6	FICA	2.0	
7	HEALTH INS.	1.5	
8	TOTAL PERSONAL SERVICES		37.5
9	TRAVEL		
10	CONTRACTUAL DP Chargeback		18.0
11	COMMODITIES		
12	EQUIPMENT		
13	OTHER		
14	TOTAL COST		55.5

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN. FUND	55.5
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

SB 534 creates a new document processing and payment system. The computer system to capture data from application forms and process the data to achieve payments and files will be designed and programmed by this position. Both the data capture machines and the processing itself requires programming. Processing includes batch processing, error correction, warrant control, preparation, release and redemption, and file maintenance.

The man month requirement will drop to three for the second and following years.

AGENCY Revenue PROGRAM AREA General Government

BRU Administration & Support

COMPONENT Management Services

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 81

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Tax Scanners			8 A	GGU	Juneau	GOV.		
	TYPE OF POSITION	STAFF MONTHS	RF No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE			
2	PFT	24			SB 534		LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES SALARY	30.6	
5	BENEFITS	4.6	
6	FICA	2.0	
7	HEALTH INS.	3.0	
8	TOTAL PERSONAL SERVICES		40.2
9	TRAVEL		
10	CONTRACTUAL		44.4
11	COMMODITIES		2.5
12	EQUIPMENT		
13	OTHER		
14	TOTAL COST		87.1

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	87.1
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

These two positions will handle the ontinuous workload. Forms distribution, assisting with mail, batch processing and payment release. Handling phone calls and correspondence. Processing of payments returned by the U.S. Postal Service will also be required. About 15,000 payments will require special handling.

AGENCY Revenue PROGRAM AREA General Government

BRU Administration & Support

COMPONENT Management Services

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

FY 81

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAP
1	Tax Scanners			8A	GGU	Juneau	GOV.		
2	TYPE OF POSITION: PPT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: SB 534	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
3				
4	PERSONAL SERVICES: SALARY		15.3	
5	BENEFITS		4.6	
6	FICA		2.0	
7	HEALTH INS.		3.0	
8	TOTAL PERSONAL SERVICES			20.1
9	TRAVEL			
10	CONTRACTUAL			
11	COMMODITIES			
12	EQUIPMENT			
13	OTHER			
14	TOTAL COST			20.1

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	20.1
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

These four positions will work three months each in opening and processing mail, data capture of applications, batch processing and error correction and payment processing.

AGENCY Revenue PROGRAM AREA General Government

BRU Administration & Support

COMPONENT Management Services

13 REQUEST FOR NEW POSITION

REVISED DATE _____

FY 81

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S B 534

Title An act authorizing a rebate for part of the property taxes paid.

Requested by _____ Date 4-1-80

II. FISCAL DETAIL

Agency Affected _____

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 of Dollars)

GENERAL FUND	(0)	(21.0)	(22.0)	(22.5)	(23.0)	(24.0)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The bill proposes to establish a reimbursement program for 30 percent of the property taxes paid on primary residences. The claim for reimbursement is to be submitted to the Department of Revenue starting with property taxes paid for the assessment year 1980. The rebates are subject to legislative appropriation.

IV. DATE 4-1-80 PREPARED BY Barbara Sorenson

AGENCY Revenue

PHONE 2174

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12 79)

#8371 - Chenoweth

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 534

By THE COMMERCE COMMITTEE

"An Act authorizing rebate of a portion of real property taxes and special assessments paid on the principal place of residence of a state resident; and providing for an effective date."

Introduced in the Senate 3/27/, 80

HISTORY IN THE SENATE

19		
80		Read first time and referred to Committee on
3	27	State Affairs, Community & Regional Affairs and Fin
4	3	Reported back with ~~a~~ ~~recommendation~~ that ~~to~~ ~~Ass~~
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-001

SB
535

COMMITTEE REPORT

SENATE

FURTHER: Finance

4/2/80

Date: 5-5-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 535

providing for a Task Force on Fire Prevention and Control

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

[ ] do pass [ ] do not pass

[X] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] 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:

_____

CHAIRMAN

S 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE SENATE: BY: SENATE C/RA

To: _____ SENATE BILL No. 595

HOUSE BILL No. _____

PAGE: _____ LINE: _____

PAGE 1, LINE 26: Delete one public member and insert State Fire Marshall or his designee.

PAGE 3, LINE 10: Delete 1984 and insert 1983

PAGE 3, LINE 15: Delete 1984 and insert 1983

Committee Log Book - 1980

Tape Number XXVII
Tapes 1 & 2
Side Number 1&2

SENATE C/RA
Committee

Dates 5/6/80 to ----

Present: Chairman Sturgulewski
Senators Stimson, Mulcahy, Kelly
Absent: Senator Rodey

Bill Numbers Discussed

SB 535	CSHB 947								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/6/80 1:30 p	001	SB 535	Chrmn Sturgulewski
	049		Rep. J. Munson (Bill Sponsor)
	091		Sen. Stimson
	217		Dept. Pub. Safety Gary Crouse, Dep. Dir., Fire Prevention Office
	320		Sen. Stimson
	420		Tom Munk, St. Firefighters Assoc.
	494		Sen. Stimson
	529		Sen. Kelly - amend. to include fire marshall or designee in membership.
	668		Sen. Stimson - Explanation
	704		Sen. Kelly moved for amend. p. 1, line 26
	734		Sen. Stimson objects/ concern too much flexibility lack of guidelines.
	782		Further amendments discussion.
	804		Sen. Kelly moved to pass bill unanimously with amendments: Page 1, line 26: Delete ~~one public~~ member and insert State Fire Marshall or his designee// Page 3, line 10: Delete ~~1984~~ and insert 1983// and Page 3, line 15: Delete 1984 and insert 1983

Sen. Stimson objected - wanted w/ ind. rec.
Chairman Sturgulewski "do pass"

OVER

		CSHB	
	817	947	Chairman Sturgulewski/ Summary
	838		Sen. Stimson/ Motion to adopt
	843		Ginny Chitwood, AML
SIDE 2	70		Sen. Stimson
	253		" Kelly / Reapportionment
	280		" Stimson
	328		" " / Assemblies/ Candidates / run-at-large
	468		Chrmn Sturgulewski/ What if CRA does find malapportionment?
	504		Sen. Kelly
	558		" Stimson
	617		" Kelly/ What apply to home rule boroughs?
	712		" Stimson/ Sec. A
	805		Chrmn Sturgulewski/ summary
	810		Lee Sharp, City Attorney, Borough of Juneau
	862		" " Recommend taking out unified municipalities
TAPE 2	034		Sen. Kelly
	059		Lee Sharp/ feels no reviewing agency needed.
	102		" "/ Federal voting procedures act needs provision for.
	276		Sen. Sturgulewski/ will return with CS next committee meeting.
	377	MEETING ADJOURNED.	

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA

SB 535 / CS HB 947

5-6-80

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
947	[illegible]	[illegible]	FMC
947	Lee Shamp	155 S. Seward	Juneau C&B
63	Gary Cruse	SFM	Juneau
535	Alan Judson	720 Glacier Ave	Alaska Firefighters
535	Tom Monk	Box 1054 Auke Bay	Alaska Firefighters.
535 947	Joyce Thomas	935 E. 74th	OIC

SB 535

4-14-88 Lary Crouse 200 Bi St Fire

Mar [illegible] 4331

[illegible]

— [illegible] (Architects)

[illegible]

— [illegible]

— [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

6-3571

[illegible]

— [illegible]

Introduced: 3/27/80
Referred: Commerce, Community & Regional Affairs and Finance

IN THE SENATE BY THE COMMERCE COMMITTEE

SENATE BILL NO. 535

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for a Task Force on Fire Prevention and Control; and providing for an effective date."

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

* Section 1. TASK FORCE ON FIRE PREVENTION AND CONTROL. The Alaska Task Force on Fire Prevention and Control is established in the Department of Community and Regional Affairs.

* Sec. 2. MEMBERSHIP. (a) The Alaska Task Force on Fire Prevention and Control consists of nine members appointed by the governor, without regard to political affiliation, to be selected as follows:

(1) one member from the Alaska State Firefighters Association from a list of nominees provided by the association;

(2) one member from the International Association of Firefighters from a list of nominees provided by the association;

(3) one member from the Alaska Fire Chiefs Association from a list of nominees provided by the association;

(4) one member representative of the insurance industry;

(5) a contractor or architect licensed under AS 08.18;

(6) a commissioner or executive officer of a regional native housing authority created under AS 18.55.996;

(7) an educator from the state public school system;

(8) one public member; and

(9) one member representative of the Alaska Municipal League from a list of nominees provided by the league.

(b) There shall be at least one member from each judicial district.

* Sec. 3. OBJECTIVES. The objectives of the task force are to

(1) identify and provide a detailed account of the fire loss problem in the state, including causal factors;

(2) identify and define the present roles and relationships of the agencies in the state which are involved in fire protection activities at the local, regional, state and federal levels;

(3) recommend organizational or operational modifications to improve the effectiveness of the state's fire protection system;

(4) provide documentation that will assist all government agencies and fire fighting services in effectively meeting their fire protection responsibilities.

* Sec. 4. CHAIRMAN. The members of the Task Force on Fire Prevention and Control shall elect a chairman from the membership of the task force.

* Sec. 5. PROJECT DIRECTOR. The Task Force on Fire Prevention and Control shall hire an executive director to function as an impartial investigator and project director. The executive director shall be under the direction of the chairman and may, with the approval of the chairman, employ additional staff as necessary.

* Sec. 6. MEETINGS AND HEARINGS. The Task Force on Fire Prevention and Control shall meet at least once every three months. The first meeting shall be held not later than 60 days following the appointment of the nine members to the task force. Public hearings and meetings shall be held in areas of the state that are representative of its urban and rural fire protection problems.

* Sec. 7. COMPENSATION. The members of the Task Force on Fire Prevention and Control serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

* Sec. 8. DUTIES. The Task Force on Fire Prevention and Control shall

(1) request and review information concerning the causes and

nature of fire losses in the state;

(2) hold public hearings and meetings to determine the extent of public awareness of existing fire protection systems;

(3) study the activities of the various fire protection agencies in the state;

(4) submit an annual report with recommendations for the improvement of fire prevention and control in the state to the governor and the legislature; the first annual report shall be submitted by January 1, 1982; and

(5) by January 1, ~~1984~~ 1983, submit to the governor and the legislature its final report which shall identify those interim report recommendations which have been implemented, evaluate the practical effects of the implementation of the recommendations, and make further recommendations on the improvement of fire prevention and control.

* Sec. 9. This Act terminates on June 30, ~~1984~~ 1983.

* Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 863 SB 535

Title An Act providing for a task force on fire prevention and control

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

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		68.2	73.6	79.5	85.9	92.7
200 TRAVEL		76.7	82.8	89.4	96.6	104.3
300 CONTRACTUAL		53.4	57.7	62.3	67.3	72.7
400 COMMODITIES		5.5	5.9	6.4	6.9	7.5
500 EQUIPMENT		1.6	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		205.4	220.0	237.6	256.7	277.2

FUNDING (Thousands of Dollars)

GENERAL FUND		205.4	220.0	237.6	256.7	277.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

All the above costs are increased at 8% a year for inflation. Attached is a breakdown of the costs.

IV. DATE 3-27-80 PREPARED BY McKie Campbell

AGENCY Community & Regional Affairs

PHONE 465-4735

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

33–001 (Rev. 12/79)

Personal Services

Project Coordinator (20A) $2845	$34,140
Benefits @ .1465	5,002
FICA @ .0665	2,270
Health Insurance	1,524
	$42,936

Administrative Assistant I (12A) $1628	$19,536
Benefits @ .1465	2,862
FICA @ .0665	1,299
Health Insurance	1,524
	$25,221

Based on new partially-exempt salary schedule effective 3/16/80. $68,157

Benefits are based on FY81 budget instructions.

Fixed	.1394
Office of Governor variable	.0071
	.1465

Travel

Project Director

Transportation - 20 instate trips @ $350	$ 7,000
Per diem @ $70 for 60 days	4,200
	$11,200

Administrative Assistant

Transportation - 12 instate trips @ $750	$4,200
Per diem @ $70 for 36 days	2,520
	$6,720

(Locations averaged for transportation estimate)

Task Force members

Transportation - 9 members/4 regular meetings @ $350	$12,600
Per diem - 9 members/4 regular meetings for 3 days @ $70	7,560
	$20,160

(Estimate 5 of 9 at hearings)

Transportation - 5 members/12 regular hearings @ $350 plus 5.0 for charter to villages	$26,000
Per diem - 5 members/12 meetings/hearings for 3 days @ $70	12,600
	$38,600

$76,680

Contractual Services

Communications	7,500
Advertising & Printing (annual report, info to task force members & advertising of public hearings)	7,000
Space expense	
Meeting	1,500
Office 400 sq. ft. @ $2.00	9,600
Equipment rental	
Mag card @ $232/mo.	2,800
Professional fees (study performed by professionals could be more than one contract)	25,000
	53,400

Commodities

Office supplies	3,000
Photo/video supplies	2,000
misc. operating supplies	500
	$5,500

Equipment

1 file cabinet	200
2 desks	750
2 chairs	300
other	350
	$1,600

Cost Summary

Personal Services	$ 68,157
Travel	76,680
Contractual	53,400
Commodities	5,500
Equipment	1,600
	$205,337

Alaska State Legislature

REPRESENTATIVE
JOYCE MUNSON

LEGISLATIVE ADDRESS
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3877
(907) 465-3724

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935 EAST 79TH
ANCHORAGE, ALASKA 99502
(907) 334-2013

HB 863: "An Act providing for a Task Force on Fire Prevention and Control; and providing for an effective date."

Statistics:

Alaska doubles U.S. average in life and dollar loss from fire
In 1979, there were 27 deaths, with an estimated $29.5 million loss to real and personal property due to fire.

Although quarterly runs are currently being done, we do know that for 1980 (the first quarter of) that there has been 14 fire fatalities vs. 9 fire deaths last year at this time ---- 11 of these 14 deaths occurred in rural areas, i.e., Bethel, Sand Point, Salcha (outside of Fairbanks).

Fire deaths per population:

Caucasian--27 deaths per million population (approximately U.S. average)

Indian --210 deaths per million population

Eskimo --600 deaths per million population

A PROSPECTUS OF ALASKA'S FIRE PROTECTION

A Report Furnished to Governor Hammond

by

Thomas W. Monk
Legislative Chairman
Alaska State Firefighters Association

January 4, 1980

A PROSPECTUS OF ALASKA'S FIRE PROTECTION

During the week of October 22, 1979, at their annual conference, the Alaska State Firefighters Association passed several resolutions, one of which was Resulotion 79-1 (attached) dealing with the establishment of a State Task Force whose purpose is to: define the fire problems of Alaska; develop a comprehensive State plan to minimize the affects of these problems; and establish an ongoing means to evaluate and monitor the implementation of the plan. This Task Force and its charges are to be appointed by the Governor for a three year period. To clarify the general terms of this resolution and to explain the intent and reasoning of the Alaska State Firefighters Association the following information is provided.

Relevant History

Throughout the history and development of this country, the occurrence of fire has been a key factor. As a tool, weapon, or accident, fire has been an ever-present element of our lives as either a noble friend or unmerciful enemy. Consequently, today the American public is complacent toward the devastation that fire wreaks daily across the country. The only time fire ever receives any particular attention is when its resultant losses are catastrophic and, except for the rare example, the mind soon wipes out any recollection of these incidents. The ability and inclination to bounce back and replace any such losses has a definite bearing on this attitude. Thus, fire problems have gone virtually unchecked and unnoticed for most of America's history.

It wasn't until 1966 that the issue received any serious national attention. Leaders of the nation's fire service gathered to express their concern and desire to generate some public and political action. From this meeting, the now-famous Wingspread Conference, resulted the Federal Fire Research and Safety Act in 1968 which established the National Commission on Fire Prevention and Control. Subsequently, the report of this Commission, America Burning, clearly documented the proportion of the fire problem in this country. Quoting from the report,

> "Appallingly, the richest and most technologically advanced nation in the world leads all major industrialized countries in per capita deaths and property losses from fire. While differing reporting procedures make international comparisons unreliable, the fact that the United States reports a death per million population rate nearly twice that on the second ranking Canada (57.1 versus 29.7) leaves little doubt that this nation leads the other industrialized nations in fire deaths per capita. Similarly, in the category of economic losses per capita, the United States exceeds Canada by one-third."

Thus, an awareness and true concern for the fire problem were finally born in this country.

Since that time and directly because of the incidents noted above, the National Fire Prevention and Control Administration (now known as the National Fire Administration) was established as the federal focal point to address the various needs as identified in the America Burning report. Using the creation of this administration as a model along with its recommendations, many states are conducting and have conducted similar analyses of their own fire problems.

The history of Alaska's fire service deserves mention only to make two critical points. The first point is that in comparison to many other states Alaska's fire protection system is very young. At the local level, the oldest fire department in the state, the Douglas Volunteer Fire Department, is 82 years old, which far exceeds the average age of any other fire department. At the state level, the oldest fire agency is the State Fire Marshal's Office which came into being roughly at the time of statehood. All other state agencies, in relation to their roles pertinent to our issues herein, are ten years old or less.

The point is not their age or history, but this places us in a most advantageous position. With the developing fire issues at the national level we can avail ourselves of national programs and recommendations without vast modification. In many states whose histories are long and firmly molded in tradition, much resistance exists in relation to any nationally born changes. Much of this resistance is based on a parochial attitude as opposed to actually addressing any specific needs. To a large extent, Alaska does not have to overcome such cumbersome obstacles.

The second point relating to Alaska's history is that Alaska leads all other states in the United States in life and property losses per capita from fire. From year to year these loss figures may vary greatly. In a state such as Alaska one large-loss fire has a substantial effect on these statistics. However, over the last ten years the average annual losses have exceeded the national average in the two noted categories by two to three times.

Thus, it is no exaggeration to say that among all industrialized governments in the entire world, Alaska has the twofold distinction of:

1. Theoretically having the potential to create the most advanced statewide fire protection system in the United States and possibly the world; and

2. Actually harboring the worst fire loss record of all the states in the country with the worst fire loss record in the world.

Scope

If one were preparing a ledger or statistical printout of Alaska's fire problem, the bottom line would reflect the life and dollar losses that the state now suffers and the account would be complete. Sadly, this is the approach that has often been used and has failed. The "problem" is much too complex to dismiss it in such cold, hard facts. Furthermore, such facts would only misdirect any attempts to rectify the problems for they lack the in-depth information necessary to identify the causal factors.

Today, the fire service is in the midst of a major philosophical change. That is, it is not the fire service's primary responsibility to suppress/extinguish fire, but rather it is their duty to prevent it. Once a fire starts, the fire protection system has failed. It is far too costly and ineffective to approach the issue from any other perspective. It is a startling fact to deal with, yet it must be realized that a vast majority of all fires are started or contributed to by simple human error. The fire service believes that fire prevention is the primary target for any concerted actions to reduce Alaska's fire losses if there is to be any marked influence on the fire problem.

This is not to say that fire suppression capabilities are not necessary. Despite our best efforts, the tragedy of fire will always exist as long as the human element is present. There are many avenues to investigate on this topic alone, but it is apparent that a definite change of attitude and action in necessary. A shift in everyone's philosophy must be accomplished for a community can no longer believe that simply because they own a big, new piece of firefighting apparatus their community is as safe as possible from fire. A continuing system of fire prevention and education is absolutely necessary and a new outlook on fire suppression is a must.

These issues for the moment may seem somewhat unclear. Whether this misunderstanding is due to simplicity or complexity or possibly to public ignorance or apathy is also an issue that should be further considered. It is sad to think of the dollars wasted in the false pursuit of fire safety across Alaska. Whatever the case, rest assured that complete analysis of the issues is not elementary.

For example, in any such analysis one should include arson and its related problems, building codes and their enforcement, insurance concerns and their effect on the fire problems, fire investigation and its contributions, public fire education programs and their delivery, and the social and economic effects caused by fire. The list of concerns is cumbersome and so interwoven that the issue soon grows to involve almost every area of community activity.

It encompasses the world of designers and builders; it encompasses governmental agencies in the myriad of ways they affect our everyday life, from zoning requirements to the level of risk they are willing to accept on behalf of their community; it encompasses the managers and occupants of buildings, whether they are private or public, commercial or residential.

This list is only limited by one's imagination, yet it should be clearly noted that thus far only the structural fire problem has been addressed. Many of the same concerns, as well as many unique ones, must also be considered in terms of marine fire safety, wildlands fire control and aircrash/rescue concerns. Substantial argument and discussion are easily generated on these areas as to how they fit into the overall fire problem, but the fact is that many of our local and state fire agencies and organizations are simultaneously involved in many of these specialized areas.

Intent

Thus, it becomes readily apparent that the fire problem is not one of limited proportion and scope. The concern is not only with the traditional aspect of what burns and why, but also the organizational and operational aspects of all agencies that exist in the State. This includes those fire entities at the local, as well as the state, level and extends beyond them into departments that assist these fire agencies. As an example, the sources of funding provided by the State must also be included if any such analysis is to be complete. Such a broad-based analysis has never been done before, but it is felt by the fire service that such a task must be accomplished in the best interest of the State. Furthermore, the fire service believes that the time and situation are presently supportive of such a task.

It should be noted that, in this text, we have avoided any reference to specific problems for several reasons. Primarily, we have neither the means nor the time to go into any great detail on the subject. Such is the purpose which the task force is to accomplish. Secondarily, much supportive information already exists but is not in any cohesive form. (In conjunction with this writing, several documents* providing much supportive information on these issues will be available on January 4 in a meeting of the Governor's Office and the Alaska State Firefighters Association.)

Proposal

To accomplish this in depth analysis, the Alaska State Firefighters Association requests that the Governor allocate the necessary funds to:

1. Appoint a nine-member task force to review and direct the activities of a project director, as outlined in the objectives listed below; and

---

*1978 Annual Report of the Alaska State Fire Marshal
America Burning: The Report of the Commission of Fire Prevention and Control
Organizational Design of Fire Service Training and Educational Resources in Alaska by Alaska Fire Service Training Program
Highlights of Fire in the United States by the National Fire Prevention and Control Administration

2. Contract with a research analyst to be an impartial investigator to act as the project director.

The goal of this body is to formulate a State plan addressing the fire problems of Alaska that, when enacted, will reduce significantly the fire losses of the state.

The objectives of this body are:

1. To identify and provide a detailed account of the fire loss problem in Alaska, including causal factors.

2. To identify and define the present roles and relationships of all agencies within the State which are involved in the fire protection activities at the local, regional, state and federal levels.

3. To recommend any organizational and/or operational modifications to improve the effectiveness of Alaska's fire protection system.

4. To provide documentation that will assist all levels of government and fire-related agencies in effectively addressing their fire protection responsibilities.

This project is to be limited to a ~~three~~ two-year time period and broken down into the following three phases:

1. Phase I	- Investigation and Research	6 months
2. Phase II	- Documentation and Development	18 months
3. Phase III	- Evaluation and Implementation	12 months

In anticipation of scheduling changes, the Task Force will have the authority to modify the phase periods as long as completion of the plan is accomplished in three years.

The makeup of the task force should be structured to provide as wide a geographical and involvement representation as possible in a nine-member body. The Alaska State Firefighters Association suggests that representatives from the list below be considered as members of this task force. It is also suggested that representatives of the existing State fire agencies be granted ex officio membership on this board.

Alaska State Firefighters Association
Alaska Fire Chief's Association
Rural public
Urban public
Public education system
Chamber of Commerce/Municipal League
Construction industry
Insurance organization
Social-economic advisor

The hiring of the project director and levels of funding should be administered by the Governor's Office in conjunction with State policy.

The Alaska State Firefighters Association recommends that the task force not be established within any existing state agency with fire protection responsibility.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER / POUCH N – JUNEAU 99811

December 19, 1979

Mr. Thomas W. Monk
Legislative Chairman
Alaska State Firefighters
Association
P.O. Box 3
Auke Bay, Alaska 99821

Dear Mr. Monk:

Thank you for your letter of November 20th and copy of Resolution 79-1 pertaining to the establishment of a three year state task force to address Alaska's fire problems.

The resolution in concept appears to be calling for a state focused fire prevention and control master planning effort. Assuming this is correct, we feel a cooperative approach such as this is both desirable and necessary if the states fire environment is to be meaningfully improved.

The Department of Public Safety and in particular the Division of Fire Prevention will cooperate and assist in the master planning effort, in any manner possible, to the extent that personnel and other resource capabilities permit.

Please feel free to contact State Fire Marshal Ronald Hendrie, Division of Fire Prevention, Department of Public Safety, P.O. Box 6188 Annex, Anchorage, Alaska 99502, tele. 264-5691 or Gary Crouse at 465-4331 in Juneau for any input and/or assistance the Division of Fire Prevention may render.

Best wishes to you and the Alaska State Firefighters Association in your efforts to provide a more fire safe Alaska for our citizens and visitors.

Sincerely,

WILLIAM R. NIX
Commissioner

WRN:RAH:GRC:vrb

12-L2LH

ALASKA STATE FIREFIGHTERS ASSOCIATION

Conference, 1979

Resolution 79-1

Submitted by John Feero, Gastineau Chapter

WHEREAS, the State of Alaska has several serious fire problems, and

WHEREAS, the fire problems of Alaska have never been collectively addressed and/or documented, and

WHEREAS, no existing State agency or organization is charged with or has the resources to address these problems, and

WHEREAS, the attack of these fire problems presently conducted by various local, state, and federal agencies is uncoordinated and has no State focal point, and

WHEREAS, these fire problems encompass concerns of structural fire protection, wildlands fire protection, marine fire protection, and aircrash fire and rescue, and

WHEREAS, Alaska suffers the largest property loss per capita and life loss per capita of any state in the United States,

THEREFORE, BE IT RESOLVED THAT the Alaska State Firefighters Association recommend and support the establishment of a ~~three-year~~ State task force appointed and funded by the Governor to

1. define these fire problems in the State of Alaska
2. develop a comprehensive State plan to address and minimize the affects of these fire problems
3. establish an ongoing means to evaluate the implementation of this State plan.

Resolution 79-1 passed unanimously this date, October 26, 1979.

Leigh Gallagher

Leigh Gallagher, President
Alaska State Firefighters Association

Alaska Fire Chiefs' Association

211 West 7th Avenue
Anchorage, AK 99501
278-4413

December 20, 1979

Governor Jay Hammond
Office of the Governor
Pouch A
Juneau, Alaska 99811

Dear Sir:

At the 1979 Alaska State Firefighter's Association Conference a resolution was passed requesting that a task force be established by your office to make an in-depth study of the total fire safety and protection problem in the state.

COPY

The Alaska State Fire Chief's Association totally supports this resolution, and urge your speedy consideration of this proposal. Additionally, our association suggests that this task force be made up of persons not directly involved in fire protection, either at the State or the local levels. We feel that this will result in an impartial and complete study.

The Alaska Fire Chief's Association is dedicated to improving the catastrophic fire loss record in this state. I am sure that you are aware that our state has the highest per capita fire loss and life loss record in our country: and our country has the highest fire loss record in the world. We all must work to stop these tragic losses.

We are confident that the proposed task force study will lead us toward an improved fire loss record, toward a more effective and efficient fire service, and the results will benefit all Alaskans everywhere.

If I, or our association, can be of service to you in anyway in this endeavor please call upon me at any time.

Respectfully yours,

James R Evans

JAMES R. EVANS
President

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 863

Title An Act providing for a task force on fire prevention and control

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs

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		68.2	73.6	79.5	85.9	
200	TRAVEL		60.0	64.8	69.9	75.6	
300	CONTRACTUAL		45.0	48.6	52.5	56.6	
400	COMMODITIES		5.5	5.9	6.4	6.9	
500	EQUIPMENT		1.6	0	0	0	
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		180.3	192.9	208.3	225.0	

FUNDING (Thousands of Dollars)

GENERAL FUND		180.3	192.9	208.3	225.0	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	
PART TIME						
TEMPORARY						

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

Oral Freeman, Vice Chairman
House Finance Committee
April 17, 1980

IV. DATE _____ PREPARED BY _____

AGENCY _____

PHONE _____

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

33-001 (Rev. 12/79)

REVISED

ALASKA STATE FIREFIGHTERS ASSOCIATION

PROPOSED BUDGET - TASK FORCE

One Year's Activities

Project Director:			
Salary - 12 months	$ 34,200		
Benefits - @ 19 per cent	6,498		
	40,698		
Travel - 20 instate trips @ $300	$ 6,000		
Per diem - @ $55/day for 60 days	3,300		
	9,300		
		Sub.	$ 49,998
Secretary/Assistant:			
Salary - 12 months	$ 24,000		
Benefits - @ 19 per cent	4,560		
	28,560		
Travel - 12 instate trips @ $300	$ 3,600		
Per diem - @ $55/day for 36 days	1,980		
	5,580		
		Sub.	$ 34,140
Administrative/Operational:			
Printing	$ 10,000		
Commodities	5,500		
Consultants	9,600		
Equipment Rental	14,400		
		Sub.	$ 39,500
Task Force:			
Travel- 9 members/9 meetings @ $300	$ 24,300		
Per diem - 9 members/9 meetings/3 days @ $55 per day	13,365		
		Sub.	$ 37,665
			$161,303
	15 % Administrative Charges		24,195
	Total		$ 185,498

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER _____

DEPARTMENT Comm. & R. A.

ATTENTION Sturgulewski

- ☐ Approval
- ☐ Signature
- ☐ Comment
- ☐ Contact Me
- ☐ Prepare Reply
- ☐ For Your File
- ☐ Note & Return
- ☐ Initial & Return
- ☐ Return As Requested
- ☐ Return For Approval
- ☐ Necessary Action
- ☐ Your Information

Remarks:

100 Assembly Bldg.

FROM:
MAIL STATION NUMBER 1200

DEPARTMENT Public Safety

BY _____ DATE _____

02-002 (REV.10/73)

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED 4-1-80

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety	Commerce Committee	SB 535

DEPARTMENT POSITION

Support

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Ronald A. Hendrie By: A. Cooper	4/1/80	William R. Nix	4/1/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)
(2) OTHER AGENCIES AFFECTED BY BILL

1. CS HB 863
2. Refer to comments

(2) a. ORGANIZATIONAL SUPPORT FOR BILL	(2) b. ORGANIZATIONAL OPPOSITION TO BILL
Alaska Fire Chiefs Association Alaska State Firefighters Association	Unknown

(3) PROGRAM EFFECTS OF BILL

No discernible program effects during the task force study phases other than, upon request, occassional staff time and travel required to provide input concerning our programs and services/activities, including our observations as to the fire problem, to the task force.

Eventual short and long term program effects would depend on what recommendations, for the improvement of fire prevention and control, were made and implemented.

(4) FISCAL IMPACT: ☐ NONE ☒ FISCAL ANALYSIS ATTACHED (Informal)

(5) AMENDMENTS PROPOSED:

None

(6) COMMENTS:

In our opinion the task force study and report(s), comprehensively and properly conducted and executed, is vital to a long needed analysis and improvement of the state's fire protection system. Without an approach of this type meaningful improvement of the state's fire environment is not favorable and our delivery system cost effectiveness is highly suspect.

Among the objectives of the task force would be the identification and defining of the present roles and relationships of the various agencies in the state which are involved in fire protection activities at the local, regional, state and federal levels. There is considerable overlap and duplication of effort without any viable means of coordination.

In addition to the Department of Public Safety, numerous state agencies, e.g. Department of Natural Resources, Department of Transportation and Public Facilities, Department of Health & Social Services, Department of Administration, Department of Labor, Department of Education amongst others, are involved in varying levels of fire protection programs

A state focused fire prevention and control master plan is needed and indicated. The task force could and should be the catalyst for this direly needed effort if this legislation is passed.

For additional background material, including the scope of the issue, attached is a copy of A Prospectus of Alaska's Fire Protection (January 4, 1980) a report furnished to Governor Hammond by Mr. Thomas W. Monk, Legislative Chairman, Alaska State Firefighters Association.

fire

BILL ANALYSIS

Corrected Com.

ASSIGNMENT DATE 2-21-80

UNASSIGNED

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety	Munson, Duncan, Rogers	HB 863

DEPARTMENT POSITION

Support

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Ronald A. Hendrie	3-3-80	William R. Nix	3/3/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING) (1) None
(2) OTHER AGENCIES AFFECTED BY BILL (2) Refer to comments.

(2) a. ORGANIZATIONAL SUPPORT FOR BILL	(2) b. ORGANIZATIONAL OPPOSITION TO BILL
Alaska Fire Chiefs Association Alaska State Firefighters Association	Unknown

(3) PROGRAM EFFECTS OF BILL

No discernible program effects during the task force study phases other than, upon request, occassional staff time and travel required to provide input concerning our programs and services/activities, including our observations as to the fire problem, to the task force.

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(5) AMENDMENTS PROPOSED:

None

(6) COMMENTS:

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(See reverse side)

In addition to the Department of Public Safety, numerous state agencies, e.g. Department of Natural Resources, Department of Transportation and Public Facilities, Department of Health & Social Services, Department of Administration, Department of Labor, Department of Education amongst others, are involved in varying levels of fire protection programs and activities.

A state focused fire prevention and control master plan is needed and indicated. The task force could and should be the catalyst for this direly needed effort if this legislation is passed.

For additional background material, including the scope of the issue, attached is a copy of A Prospectus of Alaska's Fire Protection (January 4, 1980), a report furnished to Governor Hammond by Mr. Thomas W. Monk, Legislative Chairman, Alaska State Firefighters Association.

SB

546

COMMITTEE REPORT

SENATE

FURTHER: Finance

4/3/89

Actually passed out of Committee 5-13-80

Date: 5-12-80 = Handed to Sen. Sec'y

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 546

state aid for local capital projects

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)

[X] replace with CS for SB 546 [X] same title [ ] new title

and recommends _____

[ ] 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:

B. Mitchell, Jr. Motion

Tim Keck Motion

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXIX

SENATE C/RA // Chrmn Sturgulewski

Committee

Side Number 1 & 2

Dates 5/13/80 to ----

PRESENT: All members (Rodey late)
Senators Rodey, Stimson, Mulcahy, & Kelly

Bill Numbers Discussed

CSHB 932	SB 546	NEW RES							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/13/80 1:30	005	CSHB 932	Chrmn Sturgulewski/ cancelled hearing CSHB 932
	048	RES	" "/ introduces new resolution "White House Conference on Families
	079		Sen. Kelly objects
	085		Sen. Mulcahy has no objection to committee introduction, but might not favor concept.
	089		Sen. Stimson supports introduction
	097		Chrmn Sturgulewski will have introduced by the Committee by request.
	120	SB 546	Chrmn Sturgulewski
	156		Lee Sharp, City/Borough Attorney of Juneau "CS"
	250		Dennis Dooley, DOT-PF / few Adminis. concerns
			Jim Rhodes, AA to Rep. Malone // formula outline
	540		Sen. Kelly asks Rep. Malone's position.
	632		Sen. Rodey
	636		Margo Waring, AA to Chrmn. Sturgulewski
	729		Chrmn Sturgulewski/ impact on areas forming reg'l government?
	748		Sen. Kelly / Various questions
	812		Jim Rhodes
	850		Sen. Rodey moved to pass w/ individ. rec. Chrman. Sturgulewski to pass/ Sen. Kelly objects

1st Part of tape did not take!

SIDE 2 / 14 MEETING ADJOURNED..

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA

5-13-80

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
132	Walt McPherson	Box 109 Juneau 99802	Rural Dev Council
546 ✓	Lee Sharp	155 S. Seward St	C & B of Juneau
546 ✓	Dennis Dooley	Pouch Z Juneau	AK DOT/PF

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 12, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, May 13, 1980 - 1:30 p.m.

SB 546 - State aid for local capital projects/ Establishing Capital Foundation Fund

CSHB 932 - An act creating the office of rural development, and the Rural Development Council; and providing for an effective date.

Senate Resolution for introduction - Relating to participation by the state in the White House Conference on Families.

Committee Log Book - 1980

Tape Number XXII

SENATE C/RA

Committee

Side Number 1 & 2

Dates 4/15/80 to --

PRESENT: Senators Mulcahy, Rodey, Chairman Sturgulewski
LATE: Senators Stimson and Kelly

Bill Numbers Discussed

CSHB 550	SB 546								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p. 4/15/80	005	CSHB 550	Chairman Sturgulewski opened meeting & gave a brief summary
	029		Representative Joyce Munson, Sponsor
	123		Sen. Rodey / Traffic lights owned by city?
	188		Mike Thompson, Anchorage Municipality Traffic Div.
	208		Sen. Rodey questioned past cooperation/coordination between State and Municipality
	242		Ron Lind, Dept. of Transportation & D.P. - No Objections
	250		Mitch Gravo, Anchorage Municipality, Support bill
	281		Senator Rodey moved to "do pass" no objections..
	300	RES.	Summary / resolution requesting Gov. to direct Dept. Fish & Game to conduct study relating to the restocking of Anchorage lakes. COMM. INTRODUCE?? by Sen. Rodey No objections for Committee introduction.
	373	RES	Summary / Utility Revolving Loan Fund / by Sen. Sturgulewski. No objections to Comm. introduction
	405	SB 546	Capitol Foundation Program
	536		Marge Gorsuch, AA Hs. C/RA
	449		Jim Rhodes, AA Rep. Malone / Formula Summary
SIDE 2 ---------	159		Sen. Kelly objects to formula base
	221		Meeting adjourned.

NO ACTION TAKEN

Committee Log Book - 1980

Tape Number XXII

SENATE C/RA
Committee

Side Number 1

Dates 4/8/80 to --

Present: Senators Kelly, Mulcahy, Rodey, Stimson & Chairman Sturgulewski

Bill Numbers Discussed

SB 351	SB 546								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness Action)
4/8/80 1:30 p	000	SB 351	Chairman Sturgulewski - Summary / Proposed "CS"
	117		Palmer McCarter, Dept. C/RA, "CS" favors
	128		Sen. Rodey moved "do pass"
			Sen. Kelly objected
	156	SB 546	Chairman Sturgulewski
	184		Margo Waring, AA to Senator Sturgulewski
	227		Sen. Kelly - objected to sq. miles useage in formula
	271		Sen. Rodey, also has same concern
	435		No action taken.... Meeting Adjourned

It Teleconference Hs/Sen C/Rs

4-16-80

Pres: Rep Branson, Pat Carney, Barr, Zharoff, Parker
Sens. Thurg - Kelly
HB 110 - SB546
~~Atty~~ Ted Berns
Phibs difference district resource wealth
sparsity area benefit
Hse dsg to rec as little as 7%
~~rec~~ propulsion. formula
need - ability to pay - need
per capita tx base expens
tx base one 25,000 per capita
no s/p Bor. 600,00
Remain 20,000 urban/rural
Hdm - agreement loc govts forced to accept certain demands
to
Mc Butte Mobility of getting a str street bette than Bowers

~~Hodsdon~~ - Hill.
Sullivan Hamm
Elsie Brian is going through
no distr thereafter - Matsu = 3 Cities w/in Boro

Anc -
Jeff Smith Manifest Assoc. - each area tied in to
Spec & amt - should be on need bases
adv est. 5 yr. plan
Who has final determination &?
& spent in rural areas = limit development areas.
One ~~the~~ over another
Kelly - wants his cake & pork too

Sen Carney - endorse concept
Reg'l excls - MK up
1st - 2nd cls Cities Role funding by Boro/Boro some have limited pwrs
formula - population
recognition 1st have
Am Rule t school
why undeveloped areas need $
- but balance

Mr Jerry McCutcheon - Ld
Req'l bodies that govern
Gov. appoint Council
Proj. 85 -
2PM Mtg Adjourned

WO 8341
Cook

Original sponsor: Community and Regional Affairs Committee

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 546

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for local capital projects; establishing the capital projects foundation fund; and providing for an effective date."

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

* Section 1. It is the purpose of AS 44.42.100 - 44.42.160 to create a program which can provide a source of money which will be equitably distributed throughout the state to be used, alone or with money from other sources, to finance capital projects. It is the intent of the legislature that planning for capital projects reflect local needs and priorities and that, whenever possible, political subdivisions of the state have sole responsibility for the expenditure of state money provided through the program. Nothing in AS 44.42.100 - 44.42.160 is intended to restrict the legislative authority to appropriate money.

* Sec. 2. AS 44.42.020 is amended by adding a new paragraph to read:

(14) adopt regulations for management of the capital projects foundation fund established under AS 44.42.100 and administer that fund.

* Sec. 3. AS 44.42 is amended by adding new sections to read:

ARTICLE 2. CAPITAL PROJECTS FOUNDATION ENTITLEMENTS.

Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND AND ENTITLEMENTS. (a) There is established in the department a capital projects foundation fund for the purpose of providing state assistance for improvement, maintenance and new construction costs of local capital projects. Within the limits of appropriations for the purpose, the department shall make entitlements for capital projects to organized boroughs, to

home rule municipalities as defined in AS 29.08.010, and to municipalities unified under AS 29.68 which have capital improvement plans.

(b) Within the limits of appropriations for the purpose, the department shall make and manage entitlements for capital projects for unorganized boroughs if a version of an Act entitled "An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of financial assistance for the preparation of regional plans by unorganized boroughs, permitting 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; and providing for an effective date" is enacted. If that bill is not enacted, the department shall make and manage entitlements for capital projects for each regional educational attendance area organized under AS 14.08.031.

(c) The amount of appropriation authorized for the capital improvements foundation fund for each fiscal year is not less than $400 times the state population as annually determined by the Department of Labor.

Sec. 44.42.110. ELIGIBLE FACILITIES. An entitlement from the capital projects foundation fund may be used for improvement, maintenance, or construction costs of the following facilities

(1) libraries;

(2) community and emergency detention facilities;

(3) fire halls, including the purchase of fire vehicles;

(4) community parks and recreational facilities;

(5) water and sewer facilities;

(6) health facilities;

(7) community centers;

(8) cultural facilities;

(9) transportation facilities which do not duplicate state facilities and which are not inconsistent with the state transportation plan under AS 44.42.050 as determined by the department, including

(A) service roads;

(B) trails;

(C) harbors and docks for small boats;

(D) seaplane floats;

(E) public transit facilities, including the purchase of transit vehicles;

(F) emergency and recreational airstrips for small aircraft.

(b) A facility is eligible for an entitlement under this section only if it is identified in a capital improvement plan formulated under AS 44.42.130.

(c) If a facility is located in or to be located in a home rule or unified municipality or organized borough, it is not eligible for an entitlement under this section unless the borough or municipality

(1) has or will have title to the facility; and

(2) has authority under AS 29 to operate the facility.

Sec. 44.42.120. REGIONAL COUNCILS. (a) A regional council shall be established for each unorganized borough if a version of an Act entitled "An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of financial assistance for the preparation of regional plans by unorganized boroughs, permitting 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; and providing for an effect date." is enacted. If that bill is not enacted, a regional council shall be established for each regional educational attendance area. A regional

council shall be composed of no more than 11 members as follows:

(1) at least one person from each first class city which is located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan under (b) of this section and who is an elected city official selected by the city council;

(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unorganized borough or regional educational attendance area; members from second class cities shall be elected officials.

(b) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city and shall be included in the capital improvement plan.

Sec. 44.42.130. CAPITAL IMPROVEMENT PLANS. (a) With assistance from the department, each regional council established under AS 44.42.120 shall formulate a capital improvement plan. A capital improvement plan formulated in accordance with this section shall be a five-year plan updated annually, and shall

(1) identify all capital projects needed in the borough, municipality, or regional educational attendance area;

(2) assign a priority to each capital project identified;

(3) include cost estimates for each capital project identified;

(4) include a list of needed capital projects which are not

eligible for an entitlement from the capital improvement foundation fund;

(5) identify possibilities for capital projects involving facilities having more than one use;

(6) consider the feasibility of waste heat utilization and other energy-saving measures for capital projects;

(7) provide for site acquisition for capital projects; and

(8) provide for needed public access and utilities.

(b) A capital improvement plan and revisions to a capital improvement plan for an unorganized borough or regional educational attendance area shall be adopted by the regional council after a public hearing and submitted to the department.

(c) To qualify to receive an entitlement from the capital projects foundation fund, an organized borough, home rule municipality, or unified municipality shall formulate and annually update a capital improvement plan which covers at least a five-year period. A capital improvement plan and revisions to a capital improvement plan for an organized borough, home rule municipality, or unified municipality shall be submitted to the city council or borough assembly. After a public hearing, and after approval by the council or assembly, the capital improvement plan shall be submitted to the department.

* Sec. 4. AS 44.42 is amended by adding a new section to read:

Sec. 44.42.140. ALLOCATION AND DISTRIBUTION OF ENTITLEMENTS. (a) Entitlements from the capital projects foundation fund shall be distributed annually by the department to each organized borough, home rule municipality, and unified municipality which has submitted a capital improvement plan as required by AS 44.42.130. An organized borough may agree that a city in the borough may receive and use money from an annual entitlement for the borough which is for a facility located in

the city, if the city has authority under AS 29 to operate and hold title to that type of facility. Entitlements from the capital projects foundation fund shall be distributed annually to accounts established by the department for each unorganized borough or for each regional educational attendance area which has submitted a capital improvement plan as required by AS 44.42.130. The commissioner shall enter into an agreement with a city in an unorganized borough or regional educational attendance area which elects to receive and use money from an annual entitlement to the unorganized borough or regional educational attendance area which is for a facility located in the city, if the city has authority under AS 29 to operate and hold title to that type of facility.

(b) Entitlements shall be annually allocated from the capital projects foundation fund as follows:

(1) seven-tenths on the basis of the population of the organized borough, home rule municipality, unified municipality, unorganized borough, or regional educational attendance area; and

(2) three-tenths on the basis of the area of the organized borough, home rule municipality, unified municipality, organized borough, or regional educational attendance area.

* Sec. 5. AS 44.42 is amended by adding new sections to read:

Sec. 44.42.150. USE OF ENTITLEMENTS. (a) An entitlement from the capital projects foundation fund distributed to an organized borough, home rule municipality, or unified municipality may be used only for projects identified in a capital improvement plan submitted to the department. Each recipient shall determine which project or projects to finance with the entitlement received each year under AS 44.42.140.

(b) A facility for which an entitlement from the capital projects foundation fund is received which is located in an organized borough but outside of a city shall be owned, operated and maintained by the borough.

A facility for which an entitlement from the capital projects foundation fund is received which is located in a city within an organized borough shall be owned, maintained and operated

(1) by the borough, if the city has the authority under AS 29 to operate and hold title to that type of facility;

(2) by the city, if the city has the authority under AS 29 to operate and hold title to that type of facility; or

(3) by either the borough or city as they may agree, if both the city and the borough have authority to operate and hold title to that type of facility.

(c) An entitlement from the capital projects foundation fund for a project in a first or second class city which is part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be distributed to the city with the concurrence of the city council subject to the following terms:

(1) that the city will secure, retain and protect title to the site of an existing facility or to the site on which a new facility is to be constructed; for purposes of this paragraph it is sufficient that title is obtained in fee or by a lease which provides that the city enjoys exclusive use of the site and any improvements for the estimated life of the facility;

(2) that the city will assume responsibility for the operation of the facility to be financed with the entitlement, and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the payment of the entitlement.

(d) If it appears that the cost of a capital project financed by an entitlement from the capital projects foundation fund to an organized borough, home rule municipality, or unified municipality will vary substantially from the cost estimated at the time the entitlement was

provided in its original condition;

(4) "improvement, maintenance or construction costs" includes, in addition to costs directly related to the project, the total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property;

(5) "maintenance" means restoration and repair needed to keep a facility as close as possible to its original condition.

* Sec. 6. Sections 1 - 3 and 5 - 7 of this Act take effect July 1, 1980.

* Sec. 7. Section 4 of this Act takes effect July 1, 1981.

made for the capital project, the recipient is responsible for obtaining the additional money needed to complete the project. If a capital project financed by an entitlement from the capital projects foundation fund to an organized borough, home rule municipality, or unified municipality costs less to complete than estimated at the time the entitlement was made, the recipient may use the excess entitlement for other capital projects in its capital improvement plan.

(e) In an unorganized borough or regional educational attendance area each regional council shall annually determine which projects in its capital improvement plan to finance with entitlements from the capital projects foundation fund. The department is responsible for the design and construction of the projects selected by a regional council under this subsection and shall carry out the projects in accordance with AS 35 unless the commissioner allows a city to receive and use an entitlement in accordance with AS 44.42.140.

(f) An entitlement from the capital projects foundation fund may be used to match state or federal grants.

Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

(1) "area" means the area in square miles of a home rule municipality, unified municipality, organized borough, or unorganized borough or regional educational attendance area which has a capital improvement plan;

(2) "population" means the population, as annually determined by the Department of Labor using the latest figures of the United States Bureau of the Census, of a home rule municipality, unified municipality, organized borough, or unorganized borough or regional educational attendance area which has a capital improvement plan;

(3) "improvement" means renovations and additions to an existing facility which allow for better service than the facility

HB 55 - CIP - FOUNDATION MEETING

FEB 13, 1980 meeting: Bushre, Rhode, Waring

Discussion: 1) regarding the formula, it was agreed that the wisest approach would be a formula that reflected, within limits, the current allocations of funds to regions.
2) Capital projects to be included: solid waste, health facilities, transportation facilities, community facilities, energy conservation or generation. Maintenance costs were to be included in eligible costs, as tradeoffs between new and old buildings and the importance of life cycle analysis are important.
3) Language will be included that will state that if a project is not in a capital improvement program, Foundation dollars cannot be spent for that project.
4) Distribution arrangements: Money will go to boros only. Boros may get a set additional amount for the numbers of first class cities it contains. Money will go directly to home rule municipalities. When a third class boro, that boro will be treated as the next lower class which is an "unorganized boro" as per SB 348 . If that bill does not pass, funds will be distrubuted per REAA boundaries. However, as there is no boro government responsible or accountable for planning and expending funds--or that can own and have title to property etc--those functions will be retained by the State and managed in a trustee relationship with the unorganized boros. When retained by the state, DOTPF and CRA will jointly etsblish a planning process to develop a CIP in the boro and establish advisory boards to assist them in that endeavor. This will be consistent with Chap 168 SLA 78 on a regional basis (as per SB 348). Foundation funds will be ~~expended~~ expended according to the CIP. If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, take title to whatever property there may be.

Boros & municipalities must have CIPs.

CS SB 546

Section 1: Statement of Intent

Section 2: Gives regulation adoption authority to DOTPF

Section 3: Description of the Capital Foundation Fund to provide assistance for local construction projects to organized and unorganized boroughs, home rule municipalitie and municipalities.

The amount of appropriation established at not less than $400 times the state population.

Sec. 44.42.110 lists eligible projects, that is, projects of local interest and not part of statewide capital plans. (b) states that projects may only be built in local governments that have adopted the appropriate powers (ex. park facilities require aoption of park powers).

Sec. 44.42.120 Regional councils are established for unorganized boroughs for capital improvement planning. Board composition is specified.

Sec. 44.42.130 Requires a capital improvement plan as a condition of entitlement receipt. Plans must be at least for five years. Plans for unorganized areas must include specific considerations.

Sec. 4. 44.42.140 Describes the allocations and distribution of entitlements. Direct distribution to organized boroughs which may distribute to cities. Commissioner keeps an account for unorganized boroughs and may enter into an agreement to distribute funds to cities in the unorganized boroughs, if project is identified for construction in that year.

Formula specified : 7/10 on basis of population, 3/10 on basis of area.

Sec. 5. 44.42.150 Use of Entitlements. For projects specified in the cip. Ownership (title) discussed, especially in relationship to local government powers.

Entitlements may be used to match state and federal grants.

44.42.160 Definitions are provided.

Sec. 6 and Sec. 7. Effective dates: the planning process starts July 1,1980, but the funding does not begin til July 1, 1981

Jim - Kodiak. Yakutat

Fed portions - Don't want to help capital until infrastructure Plans. Did 5 year Plan. 3 projects / water & sewer, utilities. Have financial assistance but need Local capital Foundation Plan

184 - 33 x 3

4/21/10

5/3 546

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210 602 Railroad Ave.
CORDOVA, ALASKA 99574
"The Friendly City"

Reply to:

T copy for file
1 copy my file

May 9, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska

Dear Arliss:

The Cordova City Council has discussed SB 546 Capital Improvement Revenue Sharing and agree with the concept but disagree to inclusion of the unincorporated boroughs.

Attached is a copy of the City's Resolution 80-19 which addresses these concerns. I would be happy to make myself available to discuss this bill further and to offer suggested changes or anything else that would be positive.

Sincerely

Perry D. Lovett
City Manager

enc: Res. 80-19

CITY OF CORDOVA, ALASKA Introduced 5/5/80

RESOLUTION 80-19

A RESOLUTION URGING THAT ONLY MUNICIPALITIES AND BOROUGHS OF THE FIRST AND SECOND CLASS BE INCLUDED IN FORMULA FUNDING FOR THE CAPITAL IMPROVEMENT REVENUE SHARING PROGRAM PROPOSED BY SENATE BILL #546

WHEREAS the City of Cordova has reviewed Senate Bill #546 and agrees in principle with the concept of a Capital Improvement Revenue Sharing Program, but does not agree with the formula proposed, and

WHEREAS the majority of the population of the State of Alaska resides within incorporated municipalities and boroughs of the first or second class, and

WHEREAS the cost of infrastructure to support the life style of these people is a heavy burden of the resources of these municipalities and boroughs that tax themselves, and

WHEREAS the land and improvements in the unincorporated boroughs pay no property tax or any other form of support, and

WHEREAS such support to the unincorporated borough would further discourage the incorporation of boroughs or annexation to existing municipalities and would be detrimental to the orderly and prudent use of existing resources,

NOW THEREFORE BE IT RESOLVED that the City Council of Cordova, Alaska, supports the concept of Capital Improvement Revenue Sharing to municipalities and boroughs of the first and second class but opposed Capital Improvement Revenue Sharing to the unincorporated boroughs.

PASSED AND APPROVED THIS 5 DAY OF MAY, 1980.

Arlene W. Hall
Mayor

Barbara J. Kenley
City Clerk

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Tamara Cook
FROM: Marjorie Gorsuch
DATE: 4/7/80
RE: Capital Projects Foundation Fund Bill

We have reviewed SB 546 and would like the House version of the bill drafted as a companion to SB 546 but with the following changes:

p. 3 lines 8 and following should read:
(1) one representative from each first class city selected by their city councils who are elected officials from first class cities located within the unorganized borough or regional educational attendance area;
(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within the unorganized borough or regional educational attendance area. Second class city representatives shall be elected officials.

p. 4 line 1
(5) identify shared facility opportunities

p. 5 lines 10 and following:
Delete wording following "recipient"
Draft a new (c) to read as follows:
(c) For projects built in first or second class cities in the unorganized boroughs, upon concurrence by the Council, the commissioner may make an agreement including any provision agreed upon by the parties, including the following:
(continue with line 13)

Bill would like the bill ready for our 8:30 A.M. Committee meeting on 4/9 and for introduction that day. Many thanks.

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

Official Business

April 3, 1980

Dear Alaskan:

This package of material is about SB 546, proposing a Capital Foundation Fund for construction of capital projects throughout Alaska. This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committees' work, many people identified problems regarding planning for and funding capital projects. We feel that SB 546 proposes a viable solution to difficulties experienced throughout the state. We hope that you will read the enclosed descriptive materials and the bill itself.

Senate Bill 546 proposes a systematic approach to construction of capital projects. Every area of the state would receive a formula entitlement, much like revenue sharing. Expenditure of the entitlement requires only the development of a capital improvement plan. In organized boroughs and home rule municipalities, local governments plan for and expend these funds themselves for eligible projects. In unorganized boroughs (as defined in SB 348 and HB 580), an advisory group plans for the capital projects, though the funds are expended by the Department of Transportation and Public Facilities, as their fiscally responsible agent.

Funds may be used for a variety of capital projects. Priorities are annually established on the borough level. Maintenance costs are also eligible for use of these Capital Foundation Funds. There are many other significant considerations in SB 546. Please read the descriptive material and the bill itself. Contact us regarding any suggestions for changes, comments, etc.

We look forward to hearing from you about the Capital Foundation Fund.

Sincerely,

Arliss Sturgulewski

Senator Arliss Sturgulewski
Chairman, Senate C/RA

Bill Parker

Representative Bill Parker
Chairman, House C/RA

Enclosure

Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 7, 1980

TO: Arliss Sturgulewski
Chair, Senate Community & Regional Affairs

Hugh Malone
Chair, House Special Committee on the
Permanent Fund

FROM: Margc W. Waring MWW
Jim Rhode
Marge Gorsuch

RE: Capital Foundation Fund

At your request, we have prepared the attached material on a proposed Capital Foundation Fund. We have attempted a thorough listing of all pertinent points.

If you wuld like, we can meet at your earliest convenience to answer any questions you may have.

Attachment



Playing the game of legislative end-around

by Tom Fink

THE LEGISLATURE is much like a football game. You don't win or lose until the game ends. Being an armchair quarterback, however, I am very disturbed by some of our plays and lack of success. It is as if the TV announcer is telling me that our team is running when I can in fact see that it is passing.

Our legislature and governor have resisted any tax repeals on the basis that we would be aiding non-residents. Yet they turn around and pass a new permanent fund law which unequivocally dedicates our permanent fund for investments for non-residents. The permanent fund law among other items specifically provides that not more than 15 percent of the fund can be invested in real estate mortgages in Alaska and in any case must have a yield equal to mortgages outside the state.

The permanent fund law is a non-resident law. It has many interesting provisions. After February of this year 50 percent of the oil monies shall go into the fund rather than 25. The fund is not designed for the benefit of Alaskans. It specifically demands that the state seek the highest possible return. It lists a series of permissible investments. Most of the investments are in federal government securities or securities backed by federal guarantees. However, the fund can invest in corporate bonds, short term corporate notes, and bankers acceptances.

Investments in corporate bonds are limited to 25 percent of the permanent fund and investments in Alaska real estate mortgages are limited to 15 percent of the fund. There is no limit on the other investments.

The bill further provides that the interest income only is considered income and goes to the general fund each year with two exceptions. Losses on the sale of any securities are deducted from the income and gains from the sales of securities are left in the permanent fund. Further, the income of the fund which is transferred to the general fund is the lesser of the actual income of the fund or the five year average of income.

THE HOUSE also has passed a bill taking $900 million out of the general fund and transferring it into the permanent fund. If making the permanent fund larger than the constitution requires and investing substantially all of the money outside is aiding the residents, someone will have to point out some new logic.

At the same time the legislature dawdles in its consideration of any tax repeal. Since 10 percent of the recipients of the income tax repeal would be non-residents, the other 90 percent of us must continue to pay taxes even though everyone acknowledges the state treasury does not need our tax money. There is only one conclusion. The issue of resident or non-resident is a red herring. The governor and the legislature don't want to give up the power which is created by the retention and control of large sums of money.

Recently Sen. Sturguluski introduced a bill which is supposed to make state aid available to local government for capital improvement projects. That's not what the bill does. The bill makes state money available for capital improvement projects primarily in the areas of the state where there is no local government.

It would be quite simple to set up a local government capital improvement fund and allow each local government to draw on that fund based upon it's population. Sen. Sturguluski's bill, SB546, however, has an intricate formula of entitlement. It is safe to say that with Anchorage having nearly 50 percent of the population, it will only be able to draw about 5 percent of the money.

HER BILL DIVIDES half of the fund based on population plus a cost differential factor. The effect of the cost differential factor is that each Anchorage citizen is counted as one-fifth of a citizen or each remote area citizen is counted as five citizens. The other half of the fund is to be divided based upon area. Now what in the world does area have to do with capital improvements? Capital improvements are designed for the use of people. The size of the area is further bent by the application of the construction cost factor, which results in the urban areas being cut by five or the rural areas being multiplied by five.

Her bill provides that the state shall put $200 per citizen into the fund and under her complicated formulas, Anchorage will receive about $10 per citizen. The other $190 per citizen will go to the other areas of the state where there is not any local government. All of the urban areas of the state are dramatically penalized.

Our state government should be doing everything that it can to promote the rural areas of the state to form local governments. By forming local governments they can accept some of the tax burden of government and can assume the responsibility for providing the necessary local government services. This legislation is a disincentive to form a local government.

Also in Sen. Sturguluski's bill the urban area with the local government must assume the cost of maintenance and operation, which is appropriate. However, the vast areas of the state with little population can draw on the account for maintenance and operation.

Everyone, including a governor and a legislator, is entitled to his own opinion. However, our elected representatives ought not to tell us one thing while doing another.

We can still win, but it is now the fourth quarter and we, the Alaskans Citizens, are behind 49-7.

Tom Fink, an Anchorage insurance man, is a former speaker of the Alaska House of Representatives.

CAPITAL FOUNDATION PROGRAM
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts on the basis of population and one-half on the basis of area; and (b) determining the share of an individual municipality or unorganized borough by multiplying its population and area by the construction cost differential for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) 'population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

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

Distribution

Capital Foundation Program funds will be distributed by formula to boroughs and to unified home rule municipalities, provided each has developed a capital improvement plan which includes a priority listing of capital improvement projects. In organized boroughs the cip will need assembly approval, after a public hearing.

In third class boroughs and for the unorganized borough, the following measures are taken to provide for planned regional development of capital improvements, as there is no regional government responsible for planning and expending funds.

Funds will be distributed to unorganized boroughs (SB 348). If this legislation is not passed, funds will be distributed to those areas identified as REAA's.

However, expenditure of the funds for unorganized boroughs is the responsibility of DOTPF. In order to properly plan for and prioritize capital improvements in the unorganized boroughs, advisory groups are established to assist DOTPF. (Amend Chap. 108 SLA 78).

Regional Advisory Councils

Advisory Council members are appointed by the Governor.

Membership of the advisory groups will consist of one elected official from each first class city or municipality, selected by the city. Additional representation from elected officials of second class cities and representatives of unincorporated communities shall be selected from nominations made by the Division of Community Planning, DCRA and DOTPF. Each regional advisory council shall consist of fifteen members.

The regional advisory councils will assist DOTPF in the development of a regional capital improvement plan, in prioritization among projects, in decision making regarding trade-offs between maintenance and new construction, and in project scheduling.

If an unorganized borough opts to become organized, the borough government will assume the capital improvement planning responsibility, responsibility for foundation program funds and may take title to existing capital improvement projects.

Definitions

Maintenance means preservation, upkeep and repair to keep a facility as close as possible to original condition.

Betterment means improvements, adjustments, additions which more than restore to a former condition for better service without major changes in original construction.

Operation means all costs attributable to utilization of the facility, such as heat, light, janitorial services.

CAPITAL FOUNDATION

FUND

Intent

It is the intent of this legislation to establish a capital foundation program which will equitably provide funds for the orderly development of capital improvements throughout the state. It is intended that the planning for such developments reflect regional and local needs and priorities and that, whenever possible, borough governments have complete responsibility for the expenditure of the capital foundation program funds.

This legislation recognizes that most capital development projects have greater than local significance and should, therefore, be planned and prioritized on the regional level. Further, the legislation acknowledges that the cost of construction and the cost of maintenance are closely related and that maximally efficient use of funds is encouraged by combining maintenance and construction funds.

Formula

Please see attached pages.

Funds may be used for either capital construction, betterment or maintenance, but not operation of the facilities. Funds allocated to either organized or unorganized boroughs do not lapse and may be accumulated for large projects or for growth management purposes.

Question: Should there be a ceiling on the amount which may be accumulated by any one borough?

Eligible Facilities

libraries
public protection facilities including fire service and holding facilities
neighborhood parks and other recreation facilities
water/sewer
solid waste and resource recovery facilities
health facilities
community facilities
Transportation facilities such as local service roads & trails, small boat harbors, seaplane floats, local transit facilities and equipment, upgrading and improvements in existing air transport facilities such as aviation aides and improvements and associated field improvements, emergency and/or recreational airstrips, so long as no transportation facilities jeopardize or are inconsistent with the state system as defined in the regional transportation plans and the State Facilities Plan.

However, only projects identified in the capital improvement plan are eligible for Capital Foundation Program expenditures.

ILLUSTRATION OF FORMULA (in round terms)

Base:

	Population	X	Construction Cost Differential			Area (Sq. Mi.)	X	Construction Cost Differential		
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	429,000				449,000					695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

$\frac{349,000}{449,000}$	= .78 X	$42,900,000	=	$33,462,000		
$\frac{149,376}{695,671}$	= .215 X	$42,900,000	=	9,223,500		
				$42,685,500		$42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000}$	= .22 X	$42,900,000	=	$ 9,438,000		
$\frac{546,295}{695,671}$	= .785 X	$42,900,000	=	33,676,500		
				$43,114,500		43,114,500
					Total	$85,800,000

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

TO: Committee Members
Community and Regional Affairs

FROM: Senator Arliss Sturgulewski

RE: Capital Foundation Fund

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

Distribution

Capital Foundation Program funds will be distributed by formula to boroughs and to unified home rule municipalities, provided each has developed a capital improvement plan which includes a priority listing of capital improvement projects. In organized boroughs the cip will need assembly approval, after a public hearing.

In third class boroughs and for the unorganized borough, the following measures are taken to provide for planned regional development of capital improvements, as there is no regional government responsible for planning and expending funds.

Funds will be distributed to unorganized boroughs (SB 348). If this legislation is not passed, funds will be distributed to those areas identified as REAA's.

However, expenditure of the funds for unorganized boroughs is the responsibility of DOTPF. In order to properly plan for and prioritize capital improvements in the unorganized boroughs, advisory groups are established to assist DOTPF. (Amend Chap. 168 SLA 78).

Regional Advisory Councils

Advisory Council members are appointed by the Governor.

Membership of the advisory groups will consist of one elected official from each first class city or municipality, selected by the city. Additional representation from elected officials of second class cities and representatives of unincorporated communities shall be selected from nominations made by the Division of Community Planning DCRA and DOTPF. Each regional advisory council shall consist of fifteen members.

The regional advisory councils will assist DOTPF in the development of a regional capital improvement plan, in prioritization among projects, in decision making regarding trade-offs between maintenance and new construction, and in project scheduling.

If an unorganized borough opts to become organized, the borough government will assume the capital improvement planning responsibility, responsibility for foundation program funds and may take title to existing capital improvement projects.

Definitions

Maintenance means preservation, upkeep and repair to keep a facility as close as possible to original condition.

Betterment means improvements, adjustments, additions which more than restore to a former condition for better service without major changes in original construction.

Operation means all costs attributable to utilization of the facility, such as heat, light, janitorial services.

CAPITAL FOUNDATION

FUND

Intent

It is the intent of this legislation to establish a capital foundation program which will equitably provide funds for the orderly development of capital improvements throughout the state. It is intended that the planning for such developments reflect regional and local needs and priorities and that, whenever possible, borough governments have complete responsibility for the expenditure of the capital foundation program funds.

This legislation recognizes that most capital development projects have greater than local significance and should, therefore, be planned and prioritized on the regional level. Further, the legislation acknowledges that the cost of construction and the cost of maintenance are closely related and that maximally efficient use of funds is encouraged by combining maintenance and construction funds.

Formula

Please see attached pages.

Funds may be used for either capital construction, betterment or maintenance, but not operation of the facilities. Funds allocated to either organized or unorganized boroughs do not lapse and may be accumulated for large projects or for growth management purposes.

Question: Should there be a ceiling on the amount which may be accumulated by any one borough?

Eligible Facilities

libraries
public protection facilities including fire service and holding facilities
neighborhood parks and other recreation facilities
water/sewer
solid waste and resource recovery facilities
health facilities
community facilities
Transportation facilities such as local service roads & trails, small boat harbors, seaplane floats, local transit facilities and equipment, upgrading and improvements in existing air transport facilities such as aviation aides and improvements and associated field improvements, emergency and/or recreational airstrips, so long as no transportation facilities jeopardize or are inconsistent with the state system as defined in the regional transportation plans and the State Facilities Plan.

However, only projects identified in the capital improvement plan are eligible for Capital Foundation Program expenditures.

A JT. SENATE/HOUSE C/RA TELECONFERENCE WILL BE HELD APRIL 16, 1980 -- 1:30 P.M. JUNEAU TIME. PLEASE GO TO YOUR NEAREST LEGISLATIVE INFORMATION OFFICE LISTED BELOW:

RE: SB 546

DIVISION OF PUBLIC SERVICES

CHARITY B. KADOW, DIRECTOR
Judy D. Hopkins, Asst. to Director
1024 West Sixth Avenue - Anchorage, Alaska 99501
(907) 274-8518

LEGISLATIVE INFORMATION NETWORK
Sharon Andrew, Coordinator
Room 30, State Capitol
Pouch Y, Juneau 99811
465-4648

LEGISLATIVE TELECONFERENCE NETWORK
Sioux Plummer, Coordinator
Room 30, State Capitol
Pouch Y, Juneau 99811
465-4930

ANCHORAGE INFORMATION OFFICE
Carol Dickason
1024 West Sixth Avenue
Anchorage 99501
278-3668

BARROW TELECONFERENCE CENTER *
Emily Nusunginya
Borough Assembly Room, North Slope
Borough Building, Barrow

BETHEL INFORMATION OFFICE
Ruth Richardson
Kuskokwim Inn Annex
P.O. Box 886, Bethel 99559
543-3541

DILLINGHAM INFORMATION OFFICE
Dorothy Larson
Old Court Room, Combined State Facil.
Pouch 229, Dillingham 99576
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FAIRBANKS INFORMATION OFFICE
Trudy Cain
101 College Road, Building F
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452-4449

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Room 30, State Capitol
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KENAI PENINSULA INFORMATION OFFICE **
Rhoda Eady
Cordova Building, Spur Highway
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KETCHIKAN INFORMATION OFFICE **
Sandy Wendte
415 Main Street, Room 301
Ketchikan 99901
225-9675

KODIAK INFORMATION OFFICE **
Mary Jo Simmons

KOTZEBUE INFORMATION OFFICE
Mary Schaeffer
Eskimo Building, 333 Front Street
P.O. Box 667, Kotzebue 99752
442-3880

NOME INFORMATION OFFICE
Bob Scott
2nd Floor Conf. Room, State Bldg.
P.O. Box 1630, Nome 99762
443-5555

SITKA INFORMATION OFFICE **
Charles Bickenheuser

747-6263

VALDEZ TELECONFERENCE CENTER *
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Office of Senator Mike Gravel
Office of Senator Ted Stevens

10-19-79

WO#8341
Cook ✓

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for local capital projects; establishing the capital projects foundation fund; and providing for an effective date."

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

* Section 1. AS 44.42.020 is amended by adding a new paragraph to read:

(14) adopt regulations for management of the capital projects foundation fund established under AS 44.42.100 and administer these funds.

* Sec. 2. AS 44.42 is amended by adding new sections to read:

ARTICLE 2. CAPITAL PROJECTS FOUNDATION GRANTS.

Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. There is established within the department a capital projects foundation fund for the purpose of providing state assistance to local governments and to the unorganized borough for improvement, maintenance and new construction of capital projects. Within the limits of appropriations for the purpose, the department shall make grants to qualified local governments for capital projects and shall manage grants for capital projects in the unorganized borough.

Sec. 44.42.110. ELIGIBLE FACILITIES. A grant from the capital projects foundation fund may be used for improvement, maintenance, or new construction of the following type of facility if the facility is identified in a regional plan under AS 44.42.130:

(1) libraries;

(2) community and emergency detention facilities;

(3) fire halls, including the purchase of fire vehicles;

(4) parks;

(5) recreational facilities;

(6) water and sewer facilities;

(7) health facilities;

(8) community centers;

(9) transportation facilities which do not duplicate and which are not inconsistent with the state transportation system as determined by the department, including

(A) service roads;

(B) trails;

(C) harbors and docks for small boats;

(D) seaplane floats;

(E) public transit facilities, including the purchase of transit vehicles;

(F) emergency and recreational airstrips for small aircraft.

Sec. 44.42.120. REGIONAL ADVISORY COUNCILS. (a) To qualify to receive a grant from the capital projects foundation fund, a local government must establish ~~a regional advisory council of at least five~~ members.

(b) If a version of a bill entitled "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" is enacted, a regional advisory council shall be established for each unorganized borough established under the terms of that enactment. If that bill is not enacted before the effective date of this Act, a regional advisory

council shall be established in each regional educational attendance area organized under AS 14.08.031. There shall be 15 members on each regional advisory council established under this subsection as follows:

(1) one elected official from each first class city in ~~the~~ unorganized borough or regional educational attendance area selected by the city council or assembly;

(2) additional persons, up to a total of 15, selected by the governor from lists of persons nominated by the Department of Transportation and Public Facilities or the Department of Community and Regional Affairs who are elected officials of second class cities or persons from unincorporated communities.

Sec. 44.42.130. CAPITAL IMPROVEMENT PLAN. (a) With assistance from the department, each regional advisory council established under AS 44.42.120 shall formulate a capital improvement plan which identifies all capital projects needed in the region, assigns a priority to each identified project, and contains cost estimates for each project.

(b) A capital improvement plan for a local government shall be submitted for approval by the council or assembly of the local government after a public hearing. Revisions in an approved plan must also be submitted for approval before becoming effective. A capital improvement plan for an unorganized borough or a regional educational attendance area shall be submitted for approval by the department after a public hearing.

Sec. 44.42.140. DISTRIBUTION OF GRANTS. (a) Grants from the capital projects foundation fund shall be distributed annually by the department to each local government which has approved a capital improvement plan as required by AS 44.42.130. Amounts from the capital projects foundation fund shall be distributed annually to accounts established by the department for each unorganized borough or for each regional educa-

tional attendance area if unorganized boroughs have not been established by enactment of a version of a bill entitled "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".

(b) The amount of grants to be made to a region shall be determined by multiplying its population and area in square miles by the construction cost differential for that region and using this figure when compared with the total of figures similarly arrived at for all regions to calculate a percentage share of the total appropriation.

Sec. 44.42.150. USE OF GRANTS. (a) A grant from the capital projects foundation fund to a local government may be used only for a facility identified in an approved capital improvement plan. Each local government shall determine which project to finance with the grant received each year under AS 44.42.140.

(b) A grant from the capital projects foundation fund shall be disbursed in accordance with the terms of an agreement between the commissioner and the local government. The agreement may include any provision agreed upon by the parties, but must include in substance the following provisions:

(1) that the local government shall secure, retain and protect title to the site of an existing facility or on which a new facility is to be constructed; for purposes of this paragraph it is sufficient that title is obtained in fee or by a lease which provides that the local government enjoys exclusive use of the land and any improvements for the estimated life of the facility;

(2) that the local government agrees to proceed with and complete the proposed project expeditiously in accordance with plans

submitted to the department;

(3) that the local government agrees to assume responsibility for the operation of the facility, and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the payment of state money;

(4) that the grant will not exceed the estimated total project cost as determined by the commissioner.

(c) If it appears that the cost of a facility financed in part by a grant from the capital projects foundation fund will vary substantially from costs estimated at the time a grant was made for the facility from the capital projects foundation fund, the local government is responsible for obtaining the additional money. The additional money may be obtained from other grants made from the capital projects foundation fund to the local government. If a project costs less to complete than estimated, the local government may apply to use this money on other projects as provided in this subsection.

(d) A grant from the capital projects foundation fund may be used by a local government to match other state or federal grants.

(e) In the unorganized boroughs or regional educational attendance areas each regional advisory council shall determine annually which projects identified in its capital improvement plan to finance. The department is responsible for the projects selected. The regional advisory council for the unorganized borough or the regional educational attendance area is responsible for the operation of a facility financed by a grant from the capital projects foundation fund and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the department begins work on a project.

Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

(1) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the department using the latest available figures;

(2) "improvement" means renovations and additions to an existing facility which allow for better service than the facility provided in its original condition;

(3) "improvement, maintenance or new construction" includes, in addition to costs directly related to the project, the total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

(4) "local government" means the government of a unified home rule municipality or organized borough;

(5) "maintenance" means restoration and repair needed to keep a facility as close as possible to its original condition;

(6) "population" means the population of a unified home rule municipality, organized borough, or unorganized borough or regional educational attendance area as determined by the department using the latest figures of the United States Bureau of the Census or other reliable sources of population data, such as school enrollment figures,

public utility connection figures, registered voter rolls, certified employment payrolls;

(7) "region" means a unified home rule municipality, organized borough, and unorganized borough established if a version of a bill entitled "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" is enacted, or a regional educational attendance area which has an approved capital improvements plan.

* Sec. 4. This Act takes effect July 1, 1980.

T + my file

CITY OF YAKUTAT

April 10, 1980



Senator Arliss Sturgulewski
Chairperson, Senate C/RA
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Thank you for the materials on SB 546, the capital foundation fund.

As drafted this proposed legislation would go a long ways to alleviating the capital improvement crunch we find ourselves in.

During late 1978, Yakutat drafted and accepted a capital improvement plan. Implemention, however, is slow and painful as the local funding base is insufficient to provide the necessary match funds to secure various loan/grant funds to execute the needed projects.

SB 546 would provide just such a capital base to proceed with needed projects in a timely fashion and yet avoiding prohibitively high local citizen assessments and taxation.

The City of Yakutat supports SB 546 and pledge our assistance as may be needed to assure its passage.

Your committee should be credited for the time, energy and forethought given the proposed capital foundation fund legislation.

Sincerely,

James M. Kohler
City Manager

mjr

ILLUSTRATION OF FORMULA (in round terms)

BASE:

	Population	X	Construction Cost Differential			Area (Sq. Mi.)	X	Construction Cost Differential		
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,37
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,29
	429,000				449,000	Rhoades				695,67

APPROPRIATION: 429,000 X $200 = $ 85,800,000
429,000 X $400 = $171,600,000

ENTITLEMENTS:

$$\frac{\text{Adjusted Local Population}}{\text{Adjusted Total Population}} + \frac{\text{Adjusted Local Area}}{\text{Adjusted Total Area}} \times \text{One-half Appropriation} = \text{Entitlement}$$

Organized Areas

$$\frac{349,000}{449,000} + \frac{149,376}{695,671} = .995 \times \$85,800,000 = \$85,371,000$$

Unorganized Boroughs

$$\frac{80,000 \times 1.25}{449,000} + \frac{437,036 \times 1.25}{695,671} = 1.005 \times \$85,800,000 = \$86,229,000$$

STATEWIDE TOTAL = $171,600,000

Further Illustrations, Capital Foundation Program

Adjusted Local Population / Adjusted Total Population	+	Adjusted Local Area / Adjusted Total Area	X	One-half Appropriation	=	Entitlement
Municipality of Anchorage						
200,000 / 449,000	+	1,884 / 695,671 = .4477	X	$85,800,000	=	$38,412,660
Fairbanks North Star						
60,227 / 449,000	+	7,500 / 695,671 = .1448	X	$85,800,000	=	$12,423,840
City & Borough of Juneau						
23,115 / 449,000	+	3,100 / 695,671 = .0555	X	$85,800,000	=	$ 4,761,900
Ketchikan Gateway						
13,463 / 449,000	+	1,250 / 695,671 = .0318	X	$85,800,000	=	$ 2,728,440
North Slope						
7,971 / 449,000	+	88,281 / 695,671 = .1447	X	$85,800,000	=	$12,415,260

KEAA Illustrations

N. W. Arctic

$$\frac{4,575}{449,000} + \frac{42,141}{695,671} = .0706 \times \$85,800,000 = \$\ 6,057,480$$

Bering Straits

$$\frac{5,054}{449,000} + \frac{26,875}{695,671} = .0499 \times \$85,800,000 = \$\ 4,281,420$$

Lower Yukon

$$\frac{3,269}{449,000} + \frac{22,363}{695,671} = .0394 \times \$85,800,000 = \$\ 3,380,520$$

Lower Kuskokwim

$$\frac{9,275}{449,000} + \frac{26,328}{695,671} = .0579 \times \$85,800,000 = \$\ 4,967,820$$

Upper Kuskokwim (Kuspuk)

$$\frac{1,100}{449,000} + \frac{14,538}{695,671} = .0233 \times \$85,800,000 = \$\ 1,999,140^{*}$$

Nushagak - Bristol Bay (Southwest)

$$\frac{3,275}{449,000} + \frac{26,223}{695,671} = .0377 \times \$85,800,000 = \$\ 3,234,660$$

Lake & Peninsula - Bristol Bay

$$\frac{1,154}{449,000} + \frac{35,138}{695,671} = .0531 \times \$85,800,000 = \$\ 4,555,980$$

Aleutian Chain

$$\frac{2,969}{449,000} + \frac{7,628}{695,671} = .0176 \times \$85,800,000 = \$\ 1,510,080^*$$

Pribilofs

$$\frac{1,216}{449,000} + \frac{113}{695,671} = .0029 \times \$85,800,000 = \$\ 248,820^*$$

Adak

$$\frac{4,000}{449,000} + \frac{263}{695,671} = .0093 \times \$85,800,000 = \$\ 797,940^*$$

McGrath (Iditarod)

$$\frac{914}{449,000} + \frac{57,744}{695,671} = .0850 \times \$85,800,000 = \$\ 7,293,000$$

Middle Yukon (Yukon - Koyukuk)

$$\frac{3,535}{449,000} + \frac{77,779}{695,671} = .1197 \times \$85,800,000 = \$10,270,260$$

Upper Yukon (Yukon Flats)

$$\frac{1,255}{449,000} + \frac{72,705}{695,671} = .1073 \times \$85,800,000 = \$\ 9,206,340$$

Upper Railbelt (Alaska Central Railbelt)

$$\frac{1,369}{449,000} + \frac{11,393}{695,671} = .0194 \times \$85,800,000 = \$\ 1.664,520^*$$

Upper Tanana West (Delta - Greely)

$$\frac{3,814}{449,000} + \frac{7,373}{695,671} = .0191 \times \$85,800,000 = \$\ 1,638,780^*$$

Upper Tanana East (Alaska Gateway)

$$\frac{985}{449,000} + \frac{23,108}{695,671} = .0354 \times \$85,800,000 = \$\ 3,037,320$$

Copper River

$$\frac{2,406}{449,000} + \frac{30,568}{695,671} = .0493 \times \$85,800,000 = \$\ 4,229,940$$

Northern Panhandle (Chatham)

$$\frac{3,973}{449,000} + \frac{17,063}{695,671} = .0334 \times \$85,800,000 = \$\ 2,865,720$$

Southern Panhandle (southeast Islands)

$$\frac{11,760}{449,000} + \frac{18,238}{695,671} = .0524 \times \$85,800,000 = \$\ 4,495,920$$

Metlakatla - Annette

$$\frac{1,203}{449,000} + \frac{250}{695,671} = .0030 \times \$85,800,000 = \$\ 257,400^*$$

Chugach

$$\frac{9,298}{449,000} + \frac{17,203}{695,671} = .0455 \times \$85,800,000 = \$\ 3,903,900$$

ILLUSTRATION OF FORMULA (in round terms)

Base:

	Population	X	Construction Cost Differential			Area (Sq. Mi.)	X	Construction Cost Differential		
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	429,000				449,000					695,671

Appropriation: 429,000 X $200 = $85,800,000

Grant:

Adjusted Per Cent of Population X $200
Adjusted Per Cent of Area X $200

Organized Areas

$\frac{349,000}{449,000}$ = .78 X $42,900,000 = $33,462,000

$\frac{149,376}{695,671}$ = .215 X $42,900,000 = 9,223,500

$42,685,500 $42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000}$ = .22 X $42,900,000 = $ 9,438,000

$\frac{546,295}{695,671}$ = .785 X $42,900,000 = 33,676,500

$43,114,500 43,114,500

Total $85,800,000

Capital Development Foundation

1. The problem is divisable into
   a) what should the formula be and what facilities/maintenance should it cover and
   b) to whom should it go?
2. To whomever it goes, the following principles need to be observed
   a) no special service districts
   b) no forcing of government on people
   c) equitable distribution
   d) simplicity of classes of recipients

3. Regarding (2) as many extra concerns that can be incorporated, the better.
-transportation planning, effects of reapportionment

Concept: The money will go to boroughs, when there is a borough. Th should have a cip. Ditto home rule municipalities. When it is a third class boro (if they survive this session), they will be treated as the next lower class.

In the unorganized boro:

Funds will be distributed along the boundry of 1) the unorganized boros as per SB or if SB is not enacted, 2) along the lines of the REAA. However, as there is no xxxxx boro government responsible and accountable for planning and expending money--or that can own title to land, property, etc--those functions will have to remain with the state. When the furctions are retained by the state, DOTPF will plan for PF under Chap.168 SLA 78 on a regional basis (per SB unorganized boro bill). To facilitate that planning process, each unorganized boro will have its own advisory group to advise and assist DOTPF. A CIP will be developed for each and funds expended accordingly.

If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, take title to whatever property there may be. The same principle will apply to maintenance funds.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Sturgulewski
FROM: Rep. Bill Parker
DATE: 4/15/80
RE: Capital Projects Foundation Fund Bill

The Capital Projects Foundation Fund bill (SB 546) has been reviewed and will be introduced in the House on 4/16/80 with the following changes:

p. 1 Article 2 Sec. 44.42.100 (a)

Entitlements for capital projects shall be made to organized boroughs, home rule municipalities as defined in AS 29.08.010, and to unified municipalities.(These references are used throughout the House version)
p. 2 A new (c) is added and subsequent sections renumbered.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

p. 3 Sec. 44.42.120 Regional Council representation will be a follows:

A Regional council shall be composed of 15 members as follows:

(1) one elected official who is selected by the city council of each first class city located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan
(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unorganized borough or regional educational attendance area; members from second class cities shall be elected officials.

p. 4 line 1 Reworded as follows:

(5) identify possibilities for projects involving facilities having more than one use

p. 4 Line 25 and following read:

(b) the amount of an entitlement shall be allocated one-half on the basis of adjusted population and one-half on the basis of adjusted area. An entitlement shall be the ratio of the adjusted population to the total adjusted population plus the ratio of the adjusted area to the total adjusted area, times one-half the amount of an appropriation to the capital projects foundation fund.

p. 5 line 12 A new (c) is added:

(c) An entitlement from the capital projects foundation fund for a project located in a first or second class city as part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be disbursed, with the concurrence of the city countil of the first or second class city, subject ot the following terms; (continues as SB 546 p. 5 line 13)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Tamara Cook
FROM: Marjorie Gorsuch
DATE: 4/7/80
RE: Capital Projects Foundation Fund Bill

We have reviewed SB 546 and would like the House version of the bill drafted as a companion to SB 546 but with the following changes:

p. 3 lines 8 and following should read:
(1) one representative from each first class city selected by their city councils who are elected officials from first class cities located within the unorganized borough or regional educational attendance area;
(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within the unorganized borough or regional educational attendance area. Second class city representatives shall be elected officials.

p. 4 line 1
(5) identify shared facility opportunities

p. 5 lines 10 and following:
Delete wording following "recipient"
Draft a new (c) to read as follows:
(c) For projects built in first or second class cities in the unorganized boroughs, upon concurrence by the Council, the commissioner may make an agreement including any provision agreed upon by the parties, including the following:
(continue with line 13)

Bill would like the bill ready for our 8:30 A.M. Committee meeting on 4/9 and for introduction that day. Many thanks.

Margo

From Marge —

Do you want Mbrs
to get copies today?

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

BILL NUMBER AND TITLE: HB 1010 Capital Foundation Fund

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

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 5/2/80

MEMBERS PRESENT:

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

Lee Sharp, Municipal Attorney, Juneau

Basically in favor of any form of revenue hsaring and generally favors state assistance for capital projects however there are two basic defects in the bill as presently written:
(1) Area is used as a major component in the formula
(2) Bill contains a basic disincentive to organization in th. sparcely populated, smaller communities.

Opposed to having population and area considered equally. It is people who generate the need for capital projects and it seems irrelevant to take into consideration the water within the borough of Juneau or the large land masses of the North Slope Borough.

Technical problems with the bill are:

* Assistance is not going to first and second class cities, rather just those otherwise organized.
* How would you could the population of a borough and the first class and home rule cities within it?
* Why don't first and second class cities receive consideration for assistance?
* If a borough doesn't exercise Parks and Recreation or another power for which money/facilities are being provided, how could they operate same?
* Does the requirement for a 5 year Capital Plan create conflict for those communities which currently develop 6 or 7 year plans? (perhaps the mandate for annual updating solves this problem)
* P. 5 line 1 Why is the plan of the organized municipality submitted to the regional council?
* P. 5 General problem with the formula as contained in the bill. The amount of area taken into consideration should be reduced as it distorts the situation.
* P. 6 l. 1 What does the term "agreement" mean? This require-] ment is a problem.
* P. 7 lines 18-20 Questions whether the Dept. of Labor figures are updated annually and suggests that the municipality-determined population figures used in revenue sharing be considered instead.

COMMITTEE ACTION:

No action

TAPE # 10 SIDE 1 Footage 486-1785

Sharp reiterates that he likes the idea but not with the formula in the bill. It is people not area which creates "need". Further, if the stat is going to provide maintenance, there is no incentive for organization.

Dennis Dooley, SouthEastern Director of Programming for Dept. of Transportation and Public Facilities
Raises points in attached notes.

Parr- Suggests that cost of construction rather than cost of doing business be used as in the school formula.

Dooley - Responds that it would be difficult to sue school differential costs for other capital projects. Refers to p. 8 and asks how "costs" are going to be paid? Suggests that there needs to be clarification on how the service charge for required bond sales to implement the projects will be paid.

Parr - Asks for the distinction between major and minor maintenance costs.

Dooley - States that $50,000 is usually considered the dividing line between costs associated with maintenance being considered those under $50,000 (minor maintenance) and those above $50,000 as major . Those considered minor are usually in the operating budget.

Jim Kohler, Manager, City of Yakutat
Supports strongly the concept embodied in the bill as a good and innovative as well as simple approach to funding capital projects. It allows the local political subdivision to determine its priorities and to execute those priorities. It requires locally based planning. Suggests that the basic concept and worth of the bill not be overlooked in dealing with some of the technical and formula problems.He agrees with some of the technical problems cited by Sharp but says that the formula is not improperly skewed toward sq. mile consideration. Some weight must be included for land to offset some fixed costs for such facilities. The mechanics of fund distribution needs some work. A helpful exercise might be to look at what local governments are statutorily authorized to do and to allow entitlements to go to municipalities which have power to plan and execute. City budgets address costs which must be included in such projects and these priorities should be set by local government.

Parr - Watershed decision needs to be made re local vs. state responsibility in each of the listed areas for funding.

Dooley - Local concerns might also be regional and statewide.

Ginny Chitwood - Ex. Director, Ak. Municipal League
The 50%/50% gives too much weight in the formula to area but it should be recognized that area is a facotr. The mechanics of distribution presents some problems in that first class cities have the same powers basically as do home rule. The basic powers delegated are the same as home rule.

Compositon of regional councils with "one" representative elected from each city may not be enough. There should be more flexibility in the composition.

There may be a problem when second class boroughs having adopted few powers and containing first class or second class cities which may have adopted more powers.

Dooley's Notes

HB 1010

1. Perhaps a better definition of local capital project

(2) can a location agree to have their funds spent on a State responsibility project if it is of a higher priority

3. Can home rule cities agree to have their funds spent outside their boundaries

(4) Can a ~~city~~ borough and a home rule city agree to combine their funds and build projects in each others areas

5. Can a home rule city petition for inclusion along with the unorganized area which encompasses it?

6. Regional Councils
   - 15 members
   - who perform these services from the organized & home rule cities
   - 44.42.120

7. 44.42.130 (1)
   (shall) ~~coord~~ ~~beg~~ all
   list & effort to be required to identify all
   would require efforts that would be wasted
   + − limit to approx total of funding available
   44.42.130

8. (4) this would be the total of all projects

44.42.130

who is to define this "need"?

(9) 44.42.130

(c) doesn't appear to tie to earlier definition of regional council

10 44.42.140 (see 44.42.150(b))

Distribution should not be immediate but should allow for the cash flow to match the cash needs

11 140(b)

+ feel that the ratios should be simplified to drop area diff.
+ weighted in favor of area too highly → should limit to a max per capita either as a $ or ratio to lowest per capita

12 what about the need for a project which was not in the list

(B) ~~management~~ definition needs to have ~~a lower~~ lower $ limit to when does it become operations -

could they buy heating oil - repair pipes since they did not buy last?

pg 2
ln 12-14 Labor census ? → annual

pg 3 confusion as to regular state roles

question of sufficient to be CIP plan

pg 4 all capital projects state funds?
local ?
parameters ?
4) which are not eligible ? rules

(5) concur
(6) concur } are these criteria
(7) concur } to be used in prioritization
↳ state projects ?

b)

pg 5 b) ~~any~~ directed for citrus areas
how ratio of total area varies

↳ ln 22 is a priority required

pg 7 ln 12 sec 5 varie
a) too much to hold validity
by exogenous variables
b) to each one ?

pg 8 # for potential bond sales

Arliss copied

April 17, 1980

The Honorable Arliss Sturgulewski
Chairman
Senate Community & Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

With reference to SB 546 proposing a Capital Foundation Fund for construction of capital projects through-out Alaska, I feel that this legislation is well written and would urge it's passage. In particular, I like the language which insures special recognition of Rural capital needs.

If you have any comments, please advise.

Sincerely,

COMMUNITY ENTERPRISE DEVELOPMENT
CORPORATION OF ALASKA

Alfred R Ketzler

ALFRED R. KETZLER
Executive Director

ARK:kra

CEDC

Community Enterprise Development Corporation of Alaska
1011 E. Tudor Road, Suite 210/Anchorage, Alaska 99503. 907-279-4551

October 17, 1979

Ron Lehr, Director
Budget & Management

Thru: Richard A. Holden, Deputy Commissioner
Planning & Research

Kit Duke, Director
Planning & Research
Central Region

State Public Facilities Plan -
FY 81 C.I.P. Review Phase

As mandated by Chapter 168/78, the Department of Transportation and Public Facilities has conducted a review of the FY 81 Capital Improvement Budget requests as submitted by the various program agencies to the Division of Budget and Management.

The intent of this review effort was to provide technical assistance on construction-related projects being proposed through budget requests and to complete Phase I of the State Public Facilities Planning process. The process outlined in the attached work plan was accomplished (see attachment 1).

Due to the relatively short time frame of the actual review period (September 20 through October 12), a screening process was developed to insure that all C.I.P. proposals received had been considered at some level of examination. The review summary (attachment 2) shows all proposed projects received by our Department for analysis. This summary also indicates three basic levels of review and the "Comments for Consideration - FY 81 C.I.P. Budget Proposals" that are attached for your use (attachment no. 3). These levels are summarized as follows:

Level 1 - All FY 81 C.I.P. Budget requests received were reviewed for scope of work described. Projects involving only equipment purchases and minor installation work were drooped for further review (attachment 2 includes a listing of all projects eliminated from review at this level).

Level 2 - FY 81 C.I.P. project proposals were then looked at from four different areas of Capital Improvement Planning and Procurement. These four areas are as follows:

A. Life Cycle Cost Analysis - A general evaluation of initial and ultimate project cost estimates as presented on the Form 35a was made and correlated with any previous LCC analysis made on that project.

B. Inventory and Condition Survey - Budget/project requests dealing with proposed additions and/or alterations to existing facilities were compared to field surveys currently being conducted on state-owned facilities by this Department.

C. Combined/Companion Facilities - Proposed projects were studied to identify apparent opportunities for combining projects based on similar needs and locations. Also, parameters were set to review proposals for consideration and impact of related companion C.I.P. projects, such as sewer and water, access and acquisition requirements, communication facilities and transportation facilities.

D. Scheduling Analysis - General evaluation was made of project schedules being proposed by the program agencies. These schedules were compared to established scheduling guidelines, proposed funding sources (fed., Gen. Fund, G.O. Bond), and other projects (both currently authorized and proposed) in same location or in reasonable proximity. The type of contracting method being proposed was also considered in analysis.

Level 3 —After reviewing C.I.P. Budget requests through application of the above criteria, those proposed projects receiving comments of little or no major impact were eliminated from further processing. The remaining projects, along with review comments felt to be of potential substance, were grouped together by program agency and are submitted with a summary form indicating what types of comments were made (see attachment 3).

Per your request, six sets of these proposed projects with our review comments are attached for consideration by your staff. Only those FY 81 projects reaching the third level on analysis are included. Because of the short time for this processing, our comments in the four review areas remain in handwritten form and are attached to copies of budget forms 35A for ease of identification by your analysts.

It should be noted that the depth of analysis by our Department is limited by lack of complete field data from Inventory and Condition Surveys, and lack of background data being completed on combined facilities projects. Lack of comment should not be construed as acceptance of individual projects being proposed. Mitigation of the investigative results is most likely inherent in our condensed review for this funding cycle. It's hoped that the next budget cycle will commence early enough to allow our two agencies more time to get together earlier in the process toward the realization of comprehensive planning. We think that this is a good beginning.

One general comment on the Capital Improvement proposals concerns the code upgrading, handicapped barrier removal and energy conservation types of projects. It was noted several agencies have submitted requests addressing these rehabilitation-type projects based on the findings of our Facility Inventory and Condition Survey teams. A complete list of sites that have been, are presently, or will be visited and inspected by our Department is enclosed (attachment 4). Of importance is the fact

that our Department has also submitted several statewide Capital Improvement requests aimed at correcting these same items. Total coordination of these projects should be made to avoid duplication funding. DOT/PF's requests were NOT considered to be for any specific sites but more to establish fund to address the problems being found in existing facilities owned by the State. It was envisioned that a prioritization of actual projects funded through this source would be established to enable the most cost effective and objective execution of this required work.

If there are any questions on the attached review comments that we can help clarify, please contact me at 266-1642 in Anchorage or Warren Sparks at 465-4070 in our Juneau office.

This review process have been very beneficial to us. Through the opportunity of this over-view many general questions and comments have surfaced concerning the present system being utilized for Capital Improvements. At some point, when time permits, we'd like to discuss these with you and your staff in an attempt to further improve our services to you and to the State's overall effort towards logical growth.

KD/NA/mmt

Attachments: (6 copies each)

1. State Public Facilities Plan - Work Plan for DOT/PF
2. Review Summary for FY 81 Proposed Capital Projects (DOT/PF)
3. "Comments for Consideration" - FY 81 Proposed Capital Projects - Lebel 3 (DOT/PF)
4. List of sites included in the Facilities Inventory and Condition Survey (DOT/PF)

cc: Warren Sparks

C310

465-3897

WORK ORDER REQUEST FORM

PRE-FILE

KEYWORDS: fiscal notes

appropriations

ASSIGNED TO Vassar

REQUEST FOR: BILL [XX] RESOLUTION [ ] RESEARCH [ ] OTHER [ ]

SUBJECT Estimate of annual operating and maintenance costs for state funded capital improvements

REQUESTED FOR Senator A. Sturgelewski BY Senator Sturgulewski EXT. _____

* DELIVER TO Senator A. Sturgulewski TAKEN BY Chenoweth

INSTRUCTIONS, EXPLANATIONS A bill providing that, when an appropriation bill making money available for a capital project is brought to the floor, there is also to be presented a fiscal note estimating annual operating and maintenance costs of the public project or facility once it has been constructed -- an impact statement indicating operating and maintenance costs that will burden the party responsible for the capital project after its completion. See attached.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED [ ]

AUTHORIZED TO CONFER WITH [illegible]

Strictly Confidential.

RETURN _____

_____ TO REQUESTER

APPROVED: BGS Director, Legal Services

_____ Director, Research

REVIEWED _____

IN 12/12 DUE end of December

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

needs for early January public presentation and wants for profile.

DRAFT [ ] FINAL [ ]

LA-L 10

CITY OF MC GRATH

P.O. BOX 57 MC GRATH, ALASKA 99627
PHONE (907) 524-3825

T for CRA file + ret. copy to me

April 10, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski,

I have just finished my review of the literature you and Representative Parker sent on SB 546. I feel that SB 546 warrants considerable praise in that it is an equitable bill that does not favor one area over another. More importantly, it will provide for the construction of basic facilities in small communities which will lead to an increase of services for those communities and surronding areas. The fact that the bill allows for the maintenance of constructed facilities is extremely import. In too many cases, facilities go unused and deteriorate from a lack of fuel and maintenance.

I am, however, concerned over the administration of the program should the bill be enacted this session. If the dealings that the City of McGrath has had with DOTPF are indicative of DOTPF's administration of rural projects, I am fearful that overhead and engineering will seriously reduce the effectiveness of the program for the unincorporated boroughs. At the present time, DOTPF takes 15% for engineering and additional percentages for overhead. Take Project SOS-1(024) for example. Public hearings were held in McGrath on 9/19/78. The City was led to believe, the letters are on file in my office, that the project would be completed during the summer of 1979. The project was delayed beyond the 1979 construction seasons. Ombudsman Complaint A79-0988 revealed that delays in the project cost the project $79,000. Moreover, there was not sufficent money left in the project to complete it! I would estimate that $125,000 was lost from the project due to delays, engineering and travel and per diem. In order to complete the project, the City went for a supplemental appropriation for $200,000. Yesterday, I took DOTPF's material estimates and cost and calculated the cost of the entire project. At their estimate, the entire project should have cost approximately $348,000 and not the $530,000 which they told the Ombudsman!

Senator Sturgulewski, I and many others have no faith in DOTPF when it comes to the administration of CIP in rural Alaska. Many second class cities and REAAs can do the same job for less money

with better results. In my opinion, and it is my opinion only, I think that DOTPF keeps the rural CIPs on the back burner so that the overhead will finance their operations.

I would recommend that SB 546 contain provisions for those communities which have demonstrated the ability to complete a CIP which would limit or eliminate DOTPF's participation in this program. I feel that the State and the taxpayers would get more for their money.

Thank you for the oppertunity to comment on SB 546 and to sound off about DOTPF.

Sincerely,

Robert S. Juettner

Robert S. Juettner
City Administrator

cc: Representative Bill Parker

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

'80 APR 16 PM 1 50

22004 HAINES AK 15 04-16 145P PST

PMS SENATOR ARLISS STURGULEWSKI, PHONE 465-3758

POUCH V

JUNEAU AK. 99811 "

ADD QUOTE THIRD CLASS BOROUGH UNQUOTE TO ENTITLEMENT

RECIPIENTS IN SB546 SECTION 44.42.100.

STEPHANIE K. SCOTT, ADMIN. SECRETARY, FOR THE HAINES BOROUGH ASSY.

HAINES AK. 99827

T + mg file

CITY OF YAKUTAT

April 10, 1980



Senator Arliss Sturgulewski
Chairperson, Senate C/RA
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Thank you for the materials on SB 546, the capital foundation fund.

As drafted this proposed legislation would go a long ways to alleviating the capital improvement crunch we find ourselves in.

During late 1978, Yakutat drafted and accepted a capital improvement plan. Implemention, however, is slow and painful as the local funding base is insufficient to provide the necessary match funds to secure various loan/grant funds to execute the needed projects.

SB 546 would provide just such a capital base to proceed with needed projects in a timely fashion and yet avoiding prohibitively high local citizen assessments and taxation.

The City of Yakutat supports SB 546 and pledge our assistance as may be needed to assure its passage.

Your committee should be credited for the time, energy and forethought given the proposed capital foundation fund legislation.

Sincerely,

James M. Kohler
City Manager

mjr

SB 546 Packet of Material sent 4/8/80:

Mr. Del Allison
SRA Box 252
Willow, Alaska 99688

Judge Carl Heinmiller
P.O. Box "H"
Haines, Alaska 99827

Mr. Howard J. Grey
715 "L" Street, Suite 8
Anchorage, Alaska 99501

Mr. Dave Olerud
Box 577
Haines, Alaska 99827

Twyla's file

CITY OF BARROW

"farthest north incorporated city"
BOX 629
BARROW, ALASKA 99723
PHONE (907) 852-5211

April 18, 1980

Honorable Arlis Sturgulewski
Chairperson CRA Committee
Pouch V
Juneau, Alaska 99811

Re: SB546

Dear Arlis:

The City of Barrow would like to provide written testimony on SB546 Capital Foundation Fund. We had anticipated being able to provide input via the teleconference network, unfortunately, the phone company was unable to provide a hook-up in time.

We wholeheartedly support the concept of the type of program proposed in SB546. However, we would like to raise several questions for your consideration.

a. Where does a home rule municipality such as the North Slope Borough fit into this type of program. We note mention of "organized" First Class Boroughs, Organized Second Class Boroughs, and Unified Home rule Municipalities, but nothing about Organized Home rule Boroughs.

b. How much control or input will local municipalities located in a Borough have in determining what capital improvement programs will be selected for inclusion under this bill.

c. Will cities and boroughs be able to work together effectively when a city has the statutory responsibility for a particular service or facility, but the borough is the one receiving funding that could be used on the cities projects.

d. To us, the intent of Sec. 44.42.150 is unclear. It seems to imply that a borough is the fund recipient, but the cities are the ones that will own/operate/maintain facilities funded by SB546. If that is the case, the same question asked is C above should also be asked here.

e. How will this program relate to the Annual Overal Economic Development Plan (OEDP) developed by some areas for the Economic Development Administration (EDA).

f. Sec. 44.42.150 C might be changed to allow for an adjustment factor that could allow for a cost override or project increase up to a certain amount. Perhaps a fixed percentage of the project cost. Some smaller communities might not be able to raise additional funds, and would thus have to scrap the entire project because of a 4 or 5 thousand dollar price increase.

We appreciate your considerations and the opportunity to actively participate in the decision making of Alaskas future.

Sincerely yours,

Bryan MacLean
City Manager

BML/kag

cc: Alaska Municipal League

Sent 4/7/85

SB 546 Plus first typ
3 sheets were sent to
attached mailing list.

T

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

Official Business

April 3, 1980

Dear Alaskan:

This package of material is about SB 546, proposing a Capital Foundation Fund for construction of capital projects throughout Alaska. This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committees' work, many people identified problems regarding planning for and funding capital projects. We feel that SB 546 proposes a viable solution to difficulties experienced throughout the state. We hope that you will read the enclosed descriptive materials and the bill itself.

Senate Bill 546 proposes a systematic approach to construction of capital projects. Every area of the state would receive a formula entitlement, much like revenue sharing. Expenditure of the entitlement requires only the development of a capital improvement plan. In organized boroughs and home rule municipalities, local governments plan for and expend these funds themselves for eligible projects. In unorganized boroughs (as defined in SB 348 and HB 580), an advisory group plans for the capital projects, though the funds are expended by the Department of Transportation and Public Facilities, as their fiscally responsible agent.

Funds may be used for a variety of capital projects. Priorities are annually established on the borough level. Maintenance costs are also eligible for use of these Capital Foundation Funds. There are many other significant considerations in SB 546. Please read the descriptive material and the bill itself. Contact us regarding any suggestions for changes, comments, etc.

We look forward to hearing from you about the Capital Foundation Fund.

Sincerely,

Arliss Sturgulewski

Senator Arliss Sturgulewski
Chairman, Senate C/RA

Bill Parker

Representative Bill Parker
Chairman, House C/RA

Enclosure

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local government under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

A JT. SENATE/HOUSE C/RA TELECONFERENCE WILL BE HELD APRIL 16, 1980 -- 1:30 P.M. JUNEAU TIME. PLEASE GO TO YOUR NEAREST LEGISLATIVE INFORMATION OFFICE LISTED BELOW:

RE: SB 546

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Judy D. Hopkins, Asst. to Director
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Office of Senator Mike Gravel
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10-19-79

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Attn: Ken O'Toole
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Attn: Ken O'Toole
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Kodiak, AK 99615

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P.O. Box 631
Kodiak AK 99615

Attn: Roger Brigham
Kodiak Daily Mirror
P.O. Box 1307
Kodiak, AK 99616

Attn: Brad Reeve
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Wasilla, AK 99687

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Homer, AK 99603

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Ketchikan, AK 99901

Mr. Robert Marshall, Pres.
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WO#8341
Cook ✓

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for local capital projects; establishing the capital projects foundation fund; and providing for an effective date."

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

* Section 1. AS 44.42.020 is amended by adding a new paragraph to read:

(14) adopt regulations for management of the capital projects foundation fund established under AS 44.42.100 and administer these funds.

* Sec. 2. AS 44.42 is amended by adding new sections to read:

ARTICLE 2. CAPITAL PROJECTS FOUNDATION GRANTS.

Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. There is established within the department a capital projects foundation fund for the purpose of providing state assistance to local governments and to the unorganized borough for improvement, maintenance and new construction of capital projects. Within the limits of appropriations for the purpose, the department shall make grants to qualified local governments for capital projects and shall manage grants for capital projects in the unorganized borough.

Sec. 44.42.110. ELIGIBLE FACILITIES. A grant from the capital projects foundation fund may be used for improvement, maintenance, or new construction of the following type of facility if the facility is identified in a regional plan under AS 44.42.130:

(1) libraries;

(2) community and emergency detention facilities;

(3) fire halls, including the purchase of fire vehicles;

(4) parks;

(5) recreational facilities;

(6) water and sewer facilities;

(7) health facilities;

(8) community centers;

(9) transportation facilities which do not duplicate and which are not inconsistent with the state transportation system as determined by the department, including

(A) service roads;

(B) trails;

(C) harbors and docks for small boats;

(D) seaplane floats;

(E) public transit facilities, including the purchase of transit vehicles;

(F) emergency and recreational airstrips for small aircraft.

Sec. 44.42.120. REGIONAL ADVISORY COUNCILS. (a) To qualify to receive a grant from the capital projects foundation fund, a local government must establish ~~a regional advisory council of at least~~ five members.

(b) If a version of a bill entitled "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" is enacted, a regional advisory council shall be established for each unorganized borough established under the terms of that enactment. If that bill is not enacted before the effective date of this Act, a regional advisory

council shall be established in each regional educational attendance area organized under AS 14.08.031. There shall be 15 members on each regional advisory council established under this subsection as follows:

(1) one elected official from each first class city in the unoganized borough or regional educational attendance area selected by the city council or assembly;

(2) additional persons, up to a total of 15, selected by the governor from lists of persons nominated by the Department of Transportation and Public Facilities or the Department of Community and Regional Affairs who are elected officials of second class cities or persons from unincorporated communities.

Sec. 44.42.130. CAPITAL IMPROVEMENT PLAN. (a) With assistance from the department, each regional advisory council established under AS 44.42.120 shall formulate a capital improvement plan which identifies all capital projects needed in the region, assigns a priority to each identified project, and contains cost estimates for each project.

(b) A capital improvement plan for a local government shall be submitted for approval by the council or assembly of the local government after a public hearing. Revisions in an approved plan must also be submitted for approval before becoming effective. A capital improvement plan for an unorganized borough or a regional educational attendance area shall be submitted for approval by the department after a public hearing.

Sec. 44.42.140. DISTRIBUTION OF GRANTS. (a) Grants from the capital projects foundation fund shall be distributed annually by the department to each local government which has approved a capital improvement plan as required by AS 44.42.130. Amounts from the capital projects foundation fund shall be distributed annually to accounts established by the department for each unorganized borough or for each regional educa-

tional attendance area if unorganized boroughs have not been established by enactment of a version of a bill entitled "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".

(b) The amount of grants to be made to a region shall be determined by multiplying its population and area in square miles by the construction cost differential for that region and using this figure when compared with the total of figures similarly arrived at for all regions to calculate a percentage share of the total appropriation.

Sec. 44.42.150. USE OF GRANTS. (a) A grant from the capital projects foundation fund to a local government may be used only for a facility identified in an approved capital improvement plan. Each local government shall determine which project to finance with the grant received each year under AS 44.42.140.

(b) A grant from the capital projects foundation fund shall be disbursed in accordance with the terms of an agreement between the commissioner and the local government. The agreement may include any provision agreed upon by the parties, but must include in substance the following provisions:

(1) that the local government shall secure, retain and prote title to the site of an existing facility or on which a new facility is to be constructed; for purposes of this paragraph it is sufficient that title is obtained in fee or by a lease which provides that the lo al government enjoys exclusive use of the land and any impro ements for th estimated life of the facility;

(2) that the local government agrees to proceed with and complete the proposed project expeditiously in accordance with plans

submitted to the department;

(3) that the local government agrees to assume responsibility for the operation of the facility, and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the payment of state money;

(4) that the grant will not exceed the estimated total project cost as determined by the commissioner.

(c) If it appears that the cost of a facility financed in part by a grant from the capital projects foundation fund will vary substantially from costs estimated at the time a grant was made for the facility from the capital projects foundation fund, the local government is responsible for obtaining the additional money. The additional money may be obtained from other grants made from the capital projects foundation fund to the local government. If a project costs less to complete than estimated, the local government may apply to use this money on other projects as provided in this subsection.

(d) A grant from the capital projects foundation fund may be used by a local government to match other state or federal grants.

(e) In the unorganized boroughs or regional educational attendance areas each regional advisory council shall determine annually which projects identified in its capital improvement plan to finance. The department is responsible for the projects selected. The regional advisory council for the unorganized borough or the regional educational attendance area is responsible for the operation of a facility financed by a grant from the capital projects foundation fund and the feasibility of the discharge of this obligation shall be demonstrated to the satisfaction of the commissioner before the department begins work on a project.

Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

(1) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the department using the latest available figures;

(2) "improvement" means renovations and additions to an existing facility which allow for better service than the facility provided in its original condition;

(3) "improvement, maintenance or new construction" includes, in addition to costs directly related to the project, the total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase construction, reconstruction and improvement of real property; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

(4) "local government" means the government of a unified hor rule municipality or organized borough;

(5) "maintenance" means restoration and repair needed to ke a facility as close as possible to its original condition;

(6) "population" means the population of a unified home rul municipality, organized borough, or unorganized borough or regional educational attendance area as determined by the department using the latest figures of the United States Bureau of the Census or other reliable sources of population data, such as school enrollment figures,

public utility connection figures, registered voter rolls, certified employment payrolls;

(7) "region" means a unified home rule municipality, organized borough, and unorganized borough established if a version of a bill entitled "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" is enacted, or a regional educational attendance area which has an approved capital improvements plan.

* Sec. 4. This Act takes effect July 1, 1980.

(7) federal aid — shows a normal debit balance; includes funds expected to be received from federal sources for capital projects;

(8) expenditures, prior fiscal year — shows a normal credit balance;

(9) encumbrances — shows a normal debit balance;

(10) reserve for encumbrances — shows a normal credit balance;

(11) fund balance — shows a normal zero balance.

(d) The annual financial report of the state shall contain the following statements for each capital projects fund:

(1) balance sheet;

(2) analysis of changes in bonds authorized and unissued;

(3) analysis of changes in bonds to be authorized;

(4) analysis of changes in funds to be provided by others;

(5) statement of expenditures and encumbrances compared to appropriations. (§ 8 ch 168 SLA 1978)

Sec. 37.07.070. Legislative review. The legislature shall consider the governor's proposed comprehensive operating and capital improvements programs and financial plans, evaluate alternatives to the plans, make program selections among the various alternatives and determine, subject to available revenues, the level of funding required to support authorized state services. During each regular session of the legislature, legislative review of the plans shall be accomplished according to the following schedule:

(1) By the 45th legislative day, the legislature shall have established by concurrent resolution the total amount of state general funds that shall be available for appropriation for the budget year and the tentative allocation of the funds among program categories in both the operating and capital budgets. The resolution shall be introduced by the finance committee of the house in which the general appropriations bill was introduced.

(2) By the 90th legislative day, the house in which the general appropriations bill was introduced by the governor shall have calendared for second reading a version of the general appropriations bill. The bill shall be supported with documentation to explain the proposed appropriations and related statements of intent. In addition, a list of other appropriations or measures with fiscal implications pending before the legislature shall be included with the documentation for the calendared bill. (§ 1 ch 188 SLA 1970; am § 1 ch 66 SLA 1977; am § 9 ch 168 SLA 1978)

Effect of amendments. — The 1977 amendment added the second sentence of the introductory paragraph and paragraphs (1) and (2).

The 1978 amendment, in the introductory paragraph, substituted "operating and capital improvements programs and financial plans" for "program and financial plan" in the first sentence and "the plans" for "the plan" in the first and second sentences.

Editorial Opinion and Comment of

FAIRBANKS
Daily News-Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

3/20/80

Program for pork

It wasn't long ago when Alaskan communities grubbed about in hot competition for a few million dollars a year in state budget appropriations. We cheered heartily when we got a new office building or a new highway out of the tight state budgets to boost our local economy.

Now the state is basking in new wealth, and we find our civic pork barrel specialists dressing their wish lists up like the nouveau riche strutting to their first society affair. It's no longer called "pork" or even "local capital improvements projects"—now it's a grand plan for remaking our cities in some future image.

Down in Anchorage the municipality is pressing the Legislature with a "Program for the 80s" to pour hundreds of millions of state dollars into civic centers, theaters and other projects. Many of the same projects are also advanced again under the cover of a world fair proposal in the "Expo 84" movement.

Up here we have the "Program for Progress," unveiled last week as a joint lobbying effort by the borough and the cities of Fairbanks and North Pole. The legislators who will get this pitch are all smart politicians who know the taste of pork even when it's cooked and served like veal. It's important, however, that the rest of us also understand this program for what it is before we get fooled into throwing a lot of popular support behind some local political hat trick.

First off, let's make it clear that there are some very valuable civic projects in the "Program for Progress" that do genuinely deserve our support. Most are relatively cheap, and they stand out like nuggets in the bottom of a pan:

- A long-overdue extension and rebuilding of the city's steam heat system;
- A community beautification program;
- A comprehensive geologic mapping of the Fairbanks area with a feasibility study of whether an ore processing plant should be built here;
- Renovation of the Fairbanks Recreation Center;
- A program of city utility system improvements; and
- Some modest capital projects from the University of Alask[illegible]dded to give the grandiose "wish list" some credibility.

But the largest pieces of the local program deserve nothing but spirited opposition. Most are just examples of a government planner's dreams gone wild. They are things that would be added to our local government burden without even a vote of the people.

For instance, the proposal for a rebuilt downtown area notes that in the land ownership, "Many parcels are small and owned by different individuals, hindering consolidation of land for larger developments." Fairbanks's oldest families must be selfish individuals, one concludes, to let their lifetime investments stand in the way of a bureaucratic utopia.

The justifications for the big government projects are thin. For instance, four large public parking garages are proposed downtown at $10 million to $13 million each, because "traffic congestion and parking shortages are contributing to air quality problems." In truth, traffic is less congested, the air is cleaner and there are far more parking places downtown than was the case 10 years ago.

Other proposals are things that have been rejected by Fairbanks voters in the past. The Blue Line Club's hockey rink is back, with the cost up to $7.7 million. The major focus of public opposition in the old East Side Neighborhood urban renewal plan is also back in the form of a $2 million request for Third and Seventh avenue access roads from downtown to the Steese Expressway.

This last point was specifically rejected by voters in the urban renewal repeal initiative in 1972. It has cropped up several times since then but former city mayor Harold Gillam, who was elected in 1972 while running on the initiative platform, kept shooting it down. Now he's no longer mayor, and it's surfaced again. The proposal would require condemnation of homes and widening of two streets through our oldest neighborhood just to save busy drivers a fraction of a minute in zooming downtown on their urgent business. Of course the time saved would be lost by two new traffic signals on the "expressway."

As for the $13.4 million borough office building, even a Juneau waste basket is too good a place for that proposal.

While there are some good points added in the confusion, the "Program for Progress" is mainly a program for bankruptcy for local taxpayers.

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The Anchorage Times

City/State

Section B

Spending formula proposed

by Roxinne Ervasti
Associated Press

Juneau — A formula for allocating construction money throughout the state based on population and area has been proposed in the Legislature. One lawmaker said the idea might be looked upon as an "anti-pork barrel" bill.

The proposal was presented to the Senate and House Community and Regional Affairs committees Wednesday. The House panel did not discuss it but there was some debate over it in the Senate committee, which plans to introduce it soon.

The bill, yet to be drafted, would set up a "capital foundation fund" which the Legislature would appropriate to on an annual basis, starting with about $86 million this year. Advisory committees in unorganized boroughs would set their own spending priorities.

The idea is to get more public input in unorganized boroughs, which now primarily rely on individual legislators to "bring home the bacon."

Sen. Arliss Sturgulewski, R-Anchorage, and chairman of the Senate panel, said the legislation would have been "an anathema" in the days before the state's oil wealth.

"But now we're seeing $500 million proposed for capital improvements . . . what we're doing, by the Legislature being the sugar daddy, is throwing the burden on many municipalities for operational costs."

She said if a detailed study was made of the long-range results of current spending proposals on local entities, "the fiscal note would be staggering beyond belief."

In summary, the intent and provisions of the proposal are:

— Where there is local government, capital improvement plans would be developed much as they are now.

— In unorganized boroughs, advisory groups would set spending priorities.

— The allocations could be accumulated over several years for large projects, and they could be used as match for state and federal grants — thus assisting areas that have no way of raising match money now.

— Funds could be used for maintenance and operation as well as construction, thus getting around what Sturgulewski said is a situation where communities are indirectly encouraged not to maintain structures so that they can eventually get "construction" appropriations for repairs.

A suggested formula is that the fund total the equivalent of $200 per capita in the state.

Allocation would be based on one-half the population of a municipality or unorganized borough, and one-half its area. Allocations would be determined by multiplying area and population times a construction cost differential. Each entity gets a minimum of 5 percent of the largest distribution made.

Sen. Bob Mulcahy, R-Kodiak, joked that the intent appeared to be to wipe out the "pork barrel" process.

"The legislative process, while it may not be all that good, is a heck of a lot better," he said. "I'm accountable back there. This would just create another layer of government."

Sen. Tim Kelly, R-Anchorage, said he could not support the concept.

"You're saying you would give $42 million to the organized boroughs, which have a population of 349,000, and twice as much, $85 million, to the unorganized boroughs, which only have 80,000 people," he said.

Sen. Pat Rodey, D-Anchorage, said he saw the concept as a "reform" and said it would get money out to local areas immediately, in contrast to the backlog of bond projects approved by voters.

"It would have an important impact on the legislative process by making the local voice stronger," said Rodey. "I see it as having a leavening effect on the ups and downs of a change in legislative leadership."

Sen. Terry Stimson, D-Anchorage, supported it. "I see it causing a legislator to come down here with a list of priorities from the people back home who had an opportunity to set them," he said.

Sturgulewski said nothing would preclude the Legislature from making additional appropriations, but that her idea would guarantee a minimum kind of revenue sharing for capital construction.

Study in magnificent new edifices



hayden green

If, a few months ago, anyone would have suggested that I would be advocating the need for another impact statement, my reaction would have been to suggest a sobriety test.

It does seem, however, that another impact statement is in order and shou'd relate to property taxes. With all the people showing up in Juneau, hats in hands, and all chorusing a syncopated version of, "How about a free lunch," we really need to take a look at whether Alaska property owners can afford to lay out the birdseed required to satisfy the warblings of these insatiable songbirds. We may find that those tempting free lunches are accompanied by a sizable bill for the fancy fiddle music that renders their theme song.

Just suppose that the folks in Juneau do decide to part with the big bucks for a whole slew of public buildings for Anchorage. In the midst of all the jubilation and mutual backslapping over having managed to get our fair share of the pie, let's don't neglect a look at that day in the not so distant future when all the fanfare has subsided and the dust has settled and we are left sitting in the shadows of all these new and magnificent edifices.

Do you imagine Juneau will continue to fork over the means to maintain and operate these buildings? I really don't think so. My guess is that the property owners will be called on to dig a little deeper and come up with the money to feed this extra drain on the public expense burden

Doubtless, about this time, someone will decide that the roads servicing all these sparkling new structures are simply inadequate and demand improvements. No sooner has this situation been corrected when, lo and behold, we will discover that the parking downtown just will not meet the needs of all those people using all those roads to get to all those buildings, and we will be faced with the construction of parking garages to meet those needs. Who do you think will be allowed to pay for all this?

A lot has been written recently about the salary increases that the Legislature voted themselves. I want to go on record as stating that I think these people aren't being paid enough. Because, as my old daddy used to say, "If all you pay is peanuts, you're liable to attract nothing but monkeys," and judging from the chattering that continues to emanate from the capital, we in Alaska have managed to attract our own circus.

3/22/80

Legislature gets 'anti-pork' proposal

By ROXINNE ERVASTI
Associated Press Writer

JUNEAU—A formula for allocating construction money throughout the state based on population and area has been proposed in the Legislature. One lawmaker said the idea might be looked upon as an "anti-pork barrel" bill.

The proposal was presented to the Senate and House Community and Regional Affairs committees Wednesday. The House panel did not discuss it but there was some debate over it in the Senate committee, which plans to introduce it soon.

The bill, yet to be drafted, would set up a "capital foundation fund" which the Legislature would appropriate to on an annual basis, starting with about $86 million this year. Advisory committees in unorganized boroughs would set their own spending priorities.

The idea is to get more public input in unorganized boroughs, which now primarily rely on individual legislators to "bring home the bacon."

Sen. Arliss Sturgulewski, R-Anchorage, and chairman of the Senate panel, said the legislation would have been "an anathema" in the days before the state's oil wealth.

"But now we're seeing $500 million proposed for capital improvements . . . what we're doing, by the Legislature being the sugar daddy, is throwing the burden on many municipalities for operational costs."

She said if a detailed study was made of the long-range results of current spending proposals on local entities, "the fiscal note would be staggering beyond belief."

In summary, the intent and provisions of the proposal are:

- Where there is local government, capital improvement plans would be developed much as they are now;
- In unorganized boroughs, advisory groups would set spending priorities;
- The allocations could be accumulated over several years for large projects, and they could be used as match for state and federal grants—thus assisting areas that have no way of raising match money now;
- Funds could be used for maintenance and operation as well as construction, thus getting around what Mrs. Sturgulewski said is a situation where communities are indirectly encouraged not to maintain structures so that they can eventually get "construction" appropriations for repairs.

A suggested formula is that the fund total the equivalent of $200 per capita in the state.

Allocation would be based on one half the population of a municipality or unorganized borough, and one half its area. Allocations would be determined by multiplying area and population times a construction cost differential. Each entity gets a minimum of 5 percent of the largest distribution made.

Sen. Bob Mulcahy, R-Kodiak, joked that the intent appeared to be to wipe out the "pork barrel" process. "The legislative process, while it may not be all that good, is a heck of a lot better," he said. "I'm accountable back there. This would just create another layer of government."

Sen. Tim Kelly, R-Anchorage, said he could not support the concept.

"You're saying you would give $42 million to the organized boroughs, which have a population of 349,000, and twice as much, $85 million, to the unorganized boroughs, which only have 80,000 people," he said.

Mrs. Sturgulewski said nothing would preclude the Legislature from making additional appropriations.

A related measure that has already been passed by her committee (CSSB348) would establish a system of planning grants for unorganized boroughs.

The grants, a minimum of $25,000 plus $25 per capita each year for up to three years, would allow the unorganized boroughs to study whether they want to organize.

Fink: Pay off state debts

By ROSEMARY SHINOHARA
Daily News reporter

A breeding ground for corruption and fraud would be created.

Alaska would have "social programs coming out our ears....They could lower the student/teacher ratio to one to one."

The state will pay peoole not to work.

State employes will reap much higher salaries.

And the state will be into all sorts of businesses, from banking to fishing.

That's Tom Fink's view of what will happen if the state decides to keep, rather than spend, it's huge revenue surplus.

Fink, a conservative Republican leader who served several years in the state House including a term as speaker, said he thinks whether the legislature attempts to keep the money, return it to the people or spend it, the state's going to end up spending it.

Given that, he's in favor of holding down the state operating budget, and using the money for two major purposes:

• Paying off its $750 million in bonded debt;

• And, paying for "a very expanded capital improve ments program."

The state has so much money it could build a capital, build the $3 billion to $4 billion Susitna dams, pay for crossings on Turnagain and Knik arms, build roads, bridges and docks, he said.

Besides all of that, the state set aside a fund for local governments to draw on for their own capital improvement projects.

The important thing is to see that government does not have a surplus, he said. "We have to find a wise way to take it out of state hands. We ought to eliminate personal, corporate and the special oil and gas income tax. We can easily do that and still have a huge surplus."

Severance taxes on oil pumped out of the ground ought to be lowered until they're the same rate as other states



Tom Fink

charge, he said.

And he suggested the state could pay off some of the national debt with money left over. "Wouldn't that be wonderful?"

While he favors eliminating various taxes, Fink indicated he doesn't like the idea of the state giving $350 to each resident,a proposal passed by the state House.

"I think it would attract a lot of people to Alaska just to get $350." The type of person who would come for that probably wouldn't be a very good type for Alaska to have, he said.

What he thinks will happen, Fink said, is that state income taxes will be suspended. "There'll be 146 people we don't need to collect income tax. But we'll need 500 people to pass it out," he joked.

While he doesn't want the government to stockpile surpluses, Fink noted projections are that by the year 2,000, the state will have a $200 billion surplus. "That's one-half million for every man, woman, and child. If you have a wife and 11 kids, that $6.5 million," he noted.

Fink has a wife and 11 kids.

Committee Log Book - 1980

Tape Number XIX

SENATE C/RA

Side Number 1

Committee

MEMBERS PRESENT: Senators Stimson, Mulcahy, Kelly, Rodey and Chairman Sturgulewski

Dates 3/26/80 to

WORK SESSION

Bill Numbers Dis ssed

| | | |

Contact List

5-13-80 Mtg SB 546

Called Lee Sharp
Dixie Chitwood
Dennis Dooley
Sea Alaska - Bob Loescher
Tlingit - Haida

SB
562

COMMITTEE REPORT

SENATE

FURTHER: None

4/15/80

Date: 4-29-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 562

formation of coastal resource service areas

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob MacLeary

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tim Kelly no rec

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXV

SENATE C/RA

Committee

Side Number 1

Dates 4/29/80 to --

PRESENT: Chairman Sturgulewski, Senators Kelly, Stimson, Mulcahy and Rodey.

Bill Numbers Discussed

SCR 66	CSSB 562	CSHB 192 am							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:40	005	SCR 66	Chairman Sturgulewski reviews SCR 66
	(063)		Recorder started to work better....
	124		Senator Rodey
	140		Senator Rodey moved to "do pass"
	154	CSSB 562	Chairman reviews SB 562
	193		Senator Mulcahy
	228		Representative Osterback
	288		Dep. Commissioner Marie Matsumo/ Dept. C/RA
	399		Chairman Sturgulewski and Murray Walsh/ Coastal mgmt.
	446		Sen. Rodey - REAA's
			Chairman Sturgulewski, Veronica Clark - Dept. C/RA
			Sen. Stimson
	558		Senator Mulcahy moves to pass CSSB 562
	580	CSHB 192	Chairman Sturgulewski, and Representative Gardiner
	753		Representative Gardiner suggests amendment
	138		Chairman Sturgulewski referred action to next date
			Discussion re Jack Krienharter/ amendments devised by Rep. Rogers, etc.
	456		Larry Crawford/ Gene Husick of Anch. Municipality
	760		Chairman Sturgulewski re scheduling for more work..

Side 2

REAA 8, 9, 10, (18 19 21 ?) Maybe

Introduced: 4/15/80
Referred: Community & Regional Affairs

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

SENATE BILL NO. 562

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the formation of coastal resource service areas; and providing for an effective date."

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

* Section 1. AS 16.40.120(b) is amended to read:

(b) The commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may divide an existing regional educational attendance area into two or more coastal resource service areas according to geographic, cultural or other features relevant to coastal management planning

(1) if a substantial portion of the coastal area contains land and water area owned by the federal government over which it exercises exclusive jurisdiction or land held in trust by the federal government for Alaska Natives over which the state would not exercise control as to use; or

(2) if, after giving due consideration to the standards applicable to incorporation of borough governments and the likelihood that a borough will be incorporated within the area, the commissioner determines that the functions to be performed under this chapter could be undertaken more efficiently through the combination of two or more regional educational attendance areas as a single coastal resource service area or through the division of a regional educational attendance area into two or more coastal resource service areas.

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

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

4/28/80

TO: Tam Cook
FROM: Marjorie Gorsuch
RE: CS HB992/ CSSB 562

Please modify the CSHB992 (CSSB562) in a new CS to include the following:

p. 1 line 12 "hearings held in the regional educational attendance area affected..."

p. 1 line 13 "into no more than three coastal resource ..."

p. 1 line 14 "according to geographic, cultural, economic, environmental or other features..."

p. 1 line 16 Change word "district" to "area"

p. 1 line 19 Add a new (2) which would provide:

Cities within the costal resource service areas formed under this section are part of the coastal resource service area and may not exclude themselves.

p. 1 line 19 Renumber as (3) Change "district" to "area"

p. 2 line 2,3 Change "district" to "area"

p. 2 line 8 Change "is excluded" to "excludes itself"

p. 2 line 9 Change "must" to "shall"

Tam,

The Senate side would like the final version of the CS ready with these changes for its meeting Tuesday, April 29 at 1:30 P.M. The House would like theirs ready for Wed., April 30 at 8:30 A.M.

CS SB 562/HB 992

SUGGESTED AMENDMENTS TO SB 562/ HB 992

1. ~~(b) as is in statute 46.40.120 (b)~~ 46.40.120 as amended

ADD (c) For purposes of coastal zone management only, REAAs the commissioner of the DCRA may, after public hearings held in the area affected, divide an existing REAA into two or more coastal resource service areas, according to geographic, cultural or other features relevant to coastal management planning.

(1) Other factors not withstanding, each coastal resource service district formed as a subdivision of an REAA, must contain at least one first class or home rule city.

(2) No coastal resource service area district formed peior to the effective date of this act may be subdivided for coastal planning purposes.

~~(3) A subdivision of an REAA formed for the purposes of coastal management planning may join cooperatively with another coastal resource service area for coastal zone management purposes upon approval of the commissioner.~~

Sec. 2. AS 46.35.190 is amended to read:

46.35.190 COOPERATIVE ADMINISTRATION. (a) A city within the coastal area which is not part of an adjacent coastal resource service area may exclude (INCLUDE) itself for purposes of this chapter ...

(1) The provisions of 46.35.190 (a) do not apply to coastal resource service districts formed under 46.40.120 (c).

(b) Nothing in this chapter restricts or prohibits cooperative or joint administration of functions between a municipality, and a coastal resource service district formed under 46.40.120 (c) and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose.

(c) (1) A mutual agreement for cooperative or joint administration is required when a city selects to exclude itself from an adjacent coastal resource service area under the provisions of 46.35.190 (a).

HB 992/SB 542

Suggested changes to minimize potential adverse effects of this legislation.

1. For each subdivision of an REAA, specify a minimum percentage of the REAA's coastline that must be in each subdivision (this would work toward minimizing potential super fragmentation by establishing a standard for CRA to use).

2. For each subdivision of an REAA, specify that it must contain at least one first ~~or second class~~ cities. This would also serve the purpose of minimizing numbers of subdivisions and insuring a "lead" community which could administer the program, as Regional Corporations will be less likely to serve that role under the draft legislation. If this is adopted #1 above may not be essential.

3. Add language that states that 46.40.190 does not apply to subdivisions of an REAA. This further insures #2 above, i.e., that first class city cannot opt out of a subdivided REAA coastal resource service district. If opting out is allowed, then you could have small districts without any population to speak of.

4. Change 46.40.190 to provide for opting out rather than opting in. This would apply to all REAAs.

5. Change 46.40.190 (b) so that when a first class city opts out of a coastal resource service district, a cooperative agreement is mandatory.

Add language to require that in this case of an opted out first class city, a city representative sit on the coastal resource service district board and vice versa as ex offcio members.

6. Regarding crsd boards, change the language to provide for board numbers from 5-11 (as is the REAA board) instead of the inflexible seven member board.

7. Insure that either by mentioning the REAAs which can subdivide or ~~xx~~ otherwise, provide that the ability to subdivide is not retroactive. We want to avoid situations in which a crsd that has completed a czm plan won't go back, subdivide, and get funded agin for another czm plan.

incorporation

8. Eliminate all references to boro/standards being used for subdivisions. It would set a poor precedent to in any way imply that these small subdivisions are potential regional governments. Suggested language might be : "For purposes of coastal zone management planning only, coastal resource service districts may be formed from a part of an REAA" or other words that would state that boro incorporation standards are not being used.

STATE OF ALASKA

COASTAL POLICY COUNCIL

April 17, 1980

LOCAL MEMBERS:
Donald Gilman,
Lower Cook Inlet,
Co-Chairman
Stanley Anderson,
Bering Straits
Jon Hallwell,
Northern Southeast
Eben Hobson,
Northwest
Malcolm "Pete" Isleib,
Prince William Sound
John Nilon,
Southwest
Robert Sanderson,
Southern Southeast
Lidia Selkregg,
Upper Cook Inlet
Betty Wallin,
Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer,
Director of Policy
Development &
Planning,
Co-chairman
Robert Ward
Commissioner of
Transportation &
Public Facilities
Charles Webber,
Commissioner of
Commerce &
Economic
Development
Robert LeResche,
Commissioner of
Natural Resources
Lee McAnerney,
Commissioner of
Community &
Regional Affairs
Ernst Mueller,
Commissioner of
Environmental
Conservation
Ronald Skoog,
Commissioner of
Fish & Game

The Honorable Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

The Alaska Coastal Policy Council, at its last meeting on March 18 and 19, 1980, took action on four items related to coastal management that will be of interest to the Legislature and in particular to the two Community and Regional Affairs Committees.

Resolution 79-2 of the Rural Alaska Coastal Management Conference, requesting Continuation of Coastal Resource Service Area (CRSA) boards, was endorsed by the council with a request for implementation powers deleted. Resolution 79-6 of the Rural Alaska Coastal Management Conference requesting the creation of interior resource districts, was endorsed in its entirety by the council. Copies of the resolutions, as the council endorsed them, are attached for your information.

The council supports CSSB 348, CSSB 349, and CSHB 581, as described by Ms. Margo Waring, which deal with local governments and make provisions for unorganized boroughs, including the division of rural education attendance areas.

Finally, the council voted to request amendment of section 46.40.120 (b) of the Alaska Coastal Management Act as follows:

> The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional education attendance areas as a single coastal resource service area <u>or may subdivide an existing regional education attendance area, according to geographic, cultural, or other features relevant to coastal management planning.</u>

This proposed amendment is now before the House of Representatives as HB 992, currently pending in the House Community and Regional Affairs Committee.

If further information is required, please contact Murry Walsh, Coordinator of the Office of Coastal Management (465-3540).

Sincerely,

Frances A. Ulmer
Co-chairman

Donald Gilman
Co-chairman

Attachments

RESOLUTION 79-2 OF THE RURAL ALASKA COASTAL MANAGEMENT CONFERENCE

AS ENDORSED BY THE ALASKA COASTAL POLICY COUNCIL

ENTITLED: REQUESTING CONTINUATION OF COASTAL RESOURCE SERVICE AREA BOARDS.

WHEREAS, the Alaska Coastal Management Act of 1977 allows for the formation of coastal resource service areas in the unorganized borough for the purpose of developing coastal management programs, and

WHEREAS, the Department of Community and Regional Affairs provides funding and technical assistance so that coastal management plans may be developed and approved; and

WHEREAS, the coastal resource service area is formed after an election by the communities in the affected region; and

WHEREAS, the coastal resource service area boards are comprised of members from those various communities; and

WHEREAS, there is currently no provision for funding of coastal resource service area boards after the approval of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor the implementation of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor consistency determinations made by state agencies;

NOW THEREFORE BE IT RESOLVED that the Alaska State Legislature amend the Alaska Coastal Management Act of 1977 in order that the coastal resource service boards maintain their identity and be funded after approval by the Coastal Policy Council and the legislature of their coastal management plans.

RESOLUTION 79-6 OF THE RURAL ALASKA COASTAL MANAGEMENT CONFERENCE

AS ENDORSED BY THE ALASKA COASTAL POLICY COUNCIL

ENTITLED: REQUEST FOR CREATION OF INTERIOR RESOURCE DISTRICTS.

WHEREAS, the State of Alaska and the federal government have released oil and gas lease schedules for the next five years; and

WHEREAS, the State of Alaska and the federal government have enacted legislation providing for the formation of coastal resource districts; and

WHEREAS, the federal government and the State of Alaska provide funds for implementation of coastal zone management plans to the coastal districts; and

WHEREAS, the State of Alaska's five year schedule includes oil and gas lease sales in the interior of Alaska; and

WHEREAS, oil and gas development and pipeline construction in the Interior has the same impact as offshore development; and

WHEREAS, these interior areas have no legislative basis for creating district plans and no source of funding districts in the event of oil and gas lease sales and pipeline construction; and

WHEREAS, the Department of Community and Regional Affairs is allocated funds for the development of coastal districts,

Now, therefore, be it

RESOLVED, that the Department of Community and Regional Affairs search for a method of funding resource districts in the areas of the Interior which will be impacted by state oil and gas lease sales and pipeline construction, and

BE IT FURTHER RESOLVED that the Alaska State Legislature fund interim planning districts.

Apri. 10, 1980

Don Gilman, Co-chair
Alaska Coastal Policy Council
Soldotna, Alaska
and
John Haltermann, Co-chair
Alaska Coastal Policy Council
Juneau, Alaska

Dear Messrs. Gilman and Halterman:

Recently Representative Osterback sponsored, through the House Resources Committee, HB 992, An Act relating to the formation of coastal resource service areas; and providing for an effective date. This bill, as I understand it, seeks to solve problems encountered in the Alaska Peninsula/ Aleutian chain in establishing viable coastal resource service districts.

A similar bill may be introduced on the Senate side, by Senator Mulcahy. As Chair of the Senate Community and Regional Affairs Committee, I would appreciate hearing from you regarding this bill--your and the Council's view both of the problem and of this particular solution to that problem.

Thank you for your cooperation.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

CITY OF UNALASKA
PO BOX 89
UNALASKA ALASKA 99685
581-1251
"Capital of the Aleutians"



March 17, 1980

Mr. Lawrence H. Kimball, Jr.
Director, Division of Community Planning
Alaska Department of Community and Regional Affairs
225 Cordova, Building B, Suite 104
Anchorage, Alaska 99501

Dear Mr. Kimball:

The City Council, by motion, has instructed me to contact your office to determine the feasibility of amending AS 46.40.120 to permit the Commissioner discretionary authority to establish coastal resource service areas which emcompass areas smaller than REAA's. It is the view of the City Council that participation in a properly drawn service area could be a more effective mechanism for Unalaska's taking part in coastal management under the Act than either as its own district or as part of a district taking in most of the Chain.

Any assistance which your office could render in drafting a candidate amendment would aid us greatly in approaching our legislators on the question and would be greatly appreciated.

Sincerely yours,

CITY OF UNALASKA PLANNING DEPARTMENT

Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/19

CITY OF UNALASKA
P.O. BOX 89
UNALASKA, ALASKA 99685
581-1251
"Capital of the Aleutians"



March 24, 1980

Mr. Lawrence H. Kimball, Jr.
Director
Division of Community Planning
Department of Regional and Community Affairs
225 Cordova, Building B.
Anchorage, AK 99501

Dear Mr. Kimball Gary

In response to your letter of March 21, 1980 concerning the language of a possible amendment to AS 46.40.120(b), I can state the amendment accomplishes precisely the purpose which the City Council hopes for. I have discussed the language of the amendment with City Manager Burton; it has the support of the City administration. At the next regular City Council meeting (April 10, 1980), we shall report on the swift response which we have had from the Division to our request for assistance and inform the Council of the proposed amendment.

Thank you, again, for the attention which you have given this matter.

Sincerely,

CITY OF UNALASKA PLANNING DEPARTMENT

Rich

Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/26

Coastal Policy Council - agrees w/ concept

Application of ACMP to the
Aleutian/Pribilof Island Region

Problem:

Options provided under the Alaska Coastal Management Act for formation of "coastal resource districts" are not applicable to the Aleutian/Pribilof Island Region.

Background:

The Aleutian/Pribilof Island Region presents a unique situation relative to the establishment of coastal resource service areas. Within the Region are three first-class cities (Sand Point, King Cove and Unalaska) as well as regional educational attendance areas 8, 9 and 10 (Aleutian Chain, Pribilof and Adak).

Under present law the first-class cities have the option of becoming single coastal resource service areas, thus establishing their own coastal management planning programs within their respective political boundaries, or of joining forces with the REAA's to develop a regional planning effort.

In addition, the three REAA's may become separate coastal resource service areas or, under authority granted in AS 46.40.120(b) the Commissioner of the Department of Community and Regional Affairs, may consolidate REAA's 8, 9 and 10 into one or two service areas for coastal management purposes.

Given these conditions there exists the possibility of one or six, or any combination within these numbers, coastal resource service areas being created within the Aleutian/Pribilof Island Region.

The population of the Region is approximately 3600 with 2274 (63%) residing in the three first-class cities (Sand Point 773, King Cove 733 and Unalaska 768). The second-class communities of Akutan and St. Paul contain 652 residents, 85 and 567 respectively. Total Regional population residing in incorporated municipalities totals 2926 or 81%. Clearly, if the first-class communities elect to establish their own programs within their jurisdictions, the remaining area (REAA's 8, 9, & 10) will be substantially diluted of human resources with which to develop and implement a coastal management program.

Land interests in the region are geographically complex. Village corporations were unable to select ANCSA entitlements within the core townships of Native villages due to the configuration of islands and Federal reserves. As such, village corporations selected deficiency lands under the Act this resulted in the ownership of land many miles from their respective villages. An example is the Tanadqusix Corporation at St. Paul (Pribilof Islands). Tanadqusix Corporation has substantial land holdings approximately 200 miles away on Unalaska Island. This is the case for a majority of the Aleutian's village corporations thus creating an extremely fragmented pattern of land ownership and land interests throughout the chain.

Several Aleutian villages are vacant of population, yet represent vast land holdings and thus development interests for shareholders residing elsewhere. Unga and Sanak are two cases in point. Village Corporation members from Unga and Sanak reside in Sand Point yet hold major land interests outside of Sand Points City boundaries. They fear that should Sand Point elect to become a coastal resource service area they, as residents of Sand Point, will be precluded from having a voice in a coastal management program which encompasses their corporate land holdings.

The communities, on the other hand, would prefer to work with the respective corporations in a coastal management program but do not care to be involved or necessarily influenced by actions a thousand miles away.

The Aleutian/Pribilof Island Region situation strongly indicates the need to provide a third option for creating coastal resource service areas. This option would address the need to create service districts which emphasize common interests and geographic proximity in areas where land mass, economic interests and population are not contiguous.

Proposed Legislative Amendment

Section 3 AS 46.40.120(b) is amended to read:

(b) The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may subdivide an existing regional education attendance area according to geographic, cultural or other features relevant to coastal management planning.

Sharing Program.

9

Saint Paul

PRIBILOF ISLANDS

St. George

Nelson Lag

Herend

Pavloff Harbor

Squaw

Cold Bay

1733

Bulkofs

King Cove

False Pass

Unimak Island

Sanak

8

85

Akun

768

Dutch Harbor

Unalaska Island

Unalaska

ALEUT CORP.

ISLANDS

Umnak Island

Ft Glenn

Nikolski

FOX

ALEUTIANS

ISLANDS

Seguam Pass

Amukta Pass

Atka Island

Atka

10

Adak

Adak Island

ANDREANOF

ISLANDS

RAT ISLANDS

Amchitka Pass

Kanaga Pass

Orlodia Pass

162°

164°

166°

168°

170°

172°

174°

176°

178°

CITY OF UNALASKA
PO BOX 89
UNALASKA ALASKA 99685
581-1251
"Capital of the Aleutians"



March 17, 1980

Mr. Lawrence H. Kimball, Jr.
Director, Division of Community Planning
Alaska Department of Community and Regional Affairs
225 Cordova, Building B, Suite 104
Anchorage, Alaska 99501

Dear Mr. Kimball:

The City Council, by motion, has instructed me to contact your office to determine the feasibility of amending AS 46.40.120 to permit the Commissioner discretionary authority to establish coastal resource service areas which emcompass areas smaller than REAA's. It is the view of the City Council that participation in a properly drawn service area could be a more effective mechanism for Unalaska's taking part in coastal management under the Act than either as its own district or as part of a district taking in most of the Chain.

Any assistance which your office could render in drafting a candidate amendment would aid us greatly in approaching our legislators on the question and would be greatly appreciated.

Sincerely yours,

CITY OF UNALASKA PLANNING DEPARTMENT

Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/19

CITY OF UNALASKA
PO BOX 89
UNALASKA ALASKA 99685
591-1251
"Capital of the Aleutians"


UNALASKA, ALASKA

March 24, 1980

Mr. Lawrence H. Kimball, Jr.
Director
Division of Community Planning
Department of Regional and Community Affairs
225 Cordova, Building B.
Anchorage, AK 99501

Dear Mr. Kimball Garry

In response to your letter of March 21, 1980 concerning the language of a possible amendment to AS 46.40.120(b), I can state the amendment accomplishes precisely the purpose which the City Council hopes for. I have discussed the language of the amendment with City Manager Burton; it has the support of the City administration. At the next regular City Council meeting (April 10, 1980), we shall report on the swift response which we have had from the Division to our request for assistance and inform the Council of the proposed amendment.

Thank you, again, for the attention which you have given this matter.

Sincerely,

CITY OF UNALASKA PLANNING DEPARTMENT

Richard Careaga, AICP
Director of Planning

RECEIVED
DEPT. OF COMM & REG. AFFAIRS
COMM. PLANNING
Date 3/26

Coastal Policy Council - agree w/ concept

Application of ACMP to the
Aleutian/Pribilof Island Region

Problem:

Options provided under the Alaska Coastal Management Act for formation of "coastal resource districts" are not applicable to the Aleutian/Pribilof Island Region.

Background:

The Aleutian/Pribilof Island Region presents a unique situation relative to the establishment of coastal resource service areas. Within the Region are three first-class cities (Sand Point, King Cove and Unalaska) as well as regional educational attendance areas 8, 9 and 10 (Aleutian Chain, Pribilof and Adak).

Under present law the first-class cities have the option of becoming single coastal resource service areas, thus establishing their own coastal management planning programs within their respective political boundaries, or of joining forces with the REAA's to develop a regional planning effort.

In addition, the three REAA's may become separate coastal resource service areas or, under authority granted in AS 46.40.120(b) the Commissioner of the Department of Community and Regional Affairs, may consolidate REAA's 8, 9 and 10 into one or two service areas for coastal management purposes.

Given these conditions there exists the possibility of one or six, or any combination within these numbers, coastal resource service areas being created within the Aleutian/Pribilof Island Region.

The population of the Region is approximately 3500 with 2274 (63%) residing in the three first-class cities (Sand Point 773, King Cove 733 and Unalaska 768). The second-class communities of Akutan and St. Paul contain 652 residents, 85 and 567 respectively. Total Regional population residing in incorporated municipalities totals 2926 or 81%. Clearly, if the first-class communities elect to establish their own programs within their jurisdictions, the remaining area (REAA's 8, 9, & 10) will be substantially diluted of human resources with which to develop and implement a coastal management program.

Land interests in the region are geographically complex. Village corporations were unable to select ANCSA entitlements within the core townships of Native villages due to the configuration of islands and Federal reserves. As such, village corporations selected deficiency lands under the Act this resulted in the owrership of land many miles from their respective villages. An example is the Tanadqusix Corporation at St. Paul (Pribilof Islands). Tanadqusix Corporation has substantial land holdings approximately 200 miles away on Unalaska Island. This is the case for a majority of the Aleutian's village corporations thus creating an extremely fragmented pattern of land ownership and land interests throughout the chain.

Several Aleutian villages are vacant of population, yet represent vast land holdings and thus development interests for shareholders residing elsewhere. Unga and Sanak are two cases in point. Village Corporation members from Unga and Sanak reside in Sand Point yet hold major land interests outside of Sand Points City boundaries. They fear that should Sand Point elect to become a coastal resource service area they, as residents of Sand Point, will be precluded from having a voice in a coastal management program which encompasses their corporate land holdings.

The communities, on the other hand, would prefer to work with the respective corporations in a coastal management program but do not care to be involved or necessarily influenced by actions a thousand miles away.

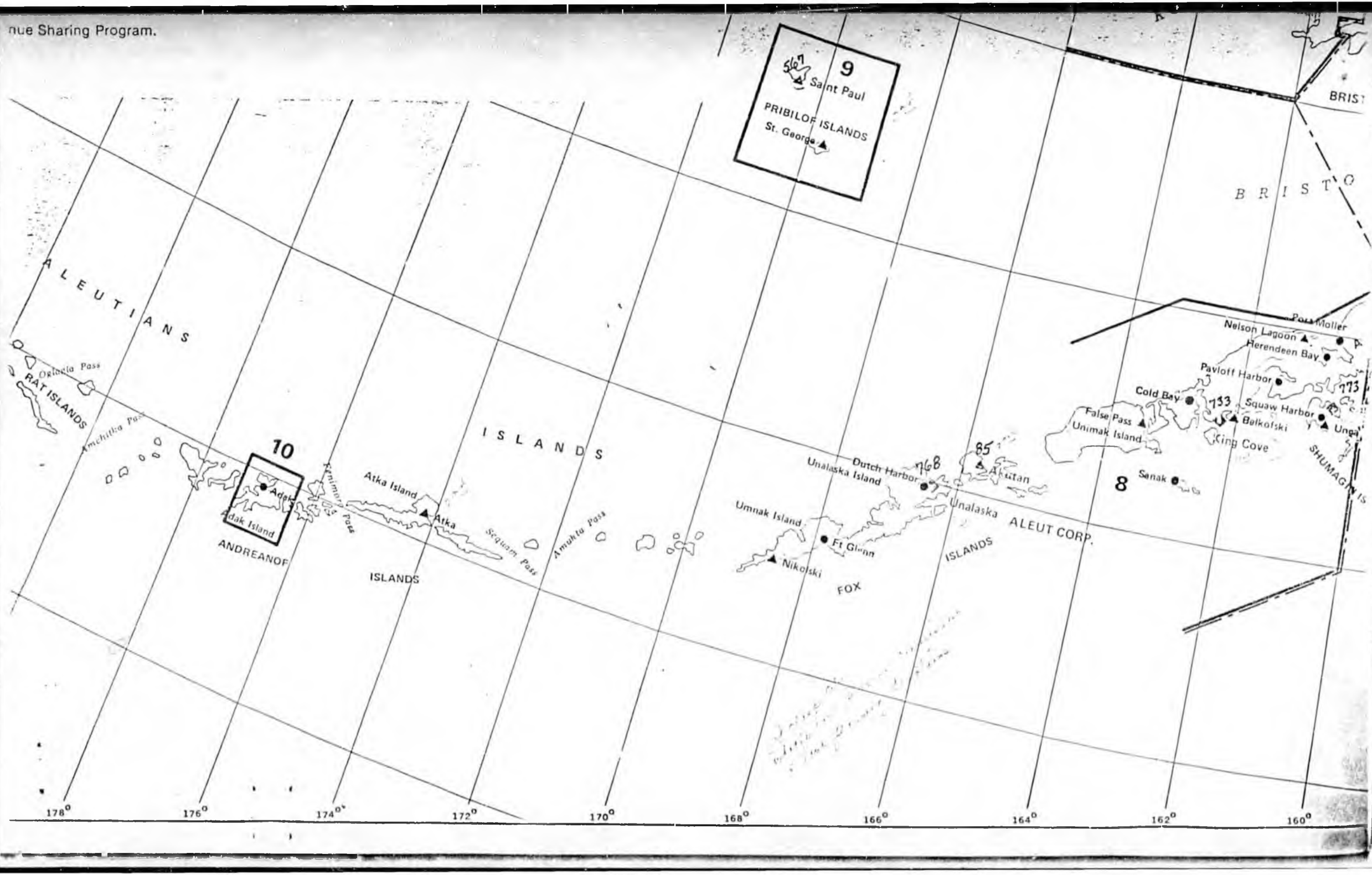
The Aleutian/Pribilof Island Region situation strongly indicates the need to provide a third option for creating coastal resource service areas. This option would address the need to create service districts which emphasize common interests and geographic proximity in areas where land mass, economic interests and population are not contiguous.

Proposed Legislative Amendment

Section 3 AS 46.40.120(b) is amended to read:

(b) The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may subdivide an existing regional education attendance area according to geographic, cultural or other features relevant to coastal management planning.

nue Sharing Program.



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Under present law the first-class cities have the option of becoming single coastal resource service areas, thus establishing their own coastal management planning programs within their respective political boundaries, or of joining forces with the REAA's to develop a regional planning effort.

In addition, the three REAA's may become separate coastal resource service areas or, under authority granted in AS 46.40.120(b) the Commissioner of the Department of Community and Regional Affairs, may consolidate REAA's 8, 9 and 10 into one or two service areas for coastal management purposes.

Given these conditions there exists the possibility of one or six, or any combination within these numbers, coastal resource service areas being created within the Aleutian/Pribilof Island Region.

The population of the Region is approximately 3600 with 2274 (63%) residing in the three first-class cities (Sand Point 773, King Cove 733 and Unalaska 768). The second-class communities of Akutan and St. Paul contain 652 residents, 85 and 567 respectively. Total Regional population residing in incorporated municipalities totals 2926 or 81%. Clearly, if the first-class communities elect to establish their own programs within their jurisdictions, the remaining area (REAA's 8, 9, & 10) will be substantially diluted of human resources with which to develop and implement a coastal management program.

Land interests in the region are geographically complex. Village corporations were unable to select ANCSA entitlements within the core townships of Native villages due to the configuration of islands and Federal reserves. As such, village corporations selected deficiency lands under the Act this resulted in the ownership of land many miles from their respective villages. An example is the Tanadqusix Corporation at St. Paul (Pribilof Islands). Tanadqusix Corporation has substantial land holdings approximately 200 miles away on Unalaska Island. This is the case for a majority of the Aleutian's village corporations thus creating an extremely fragmented pattern of land ownership and land interests throughout the chain.

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(b) The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area o- may subdivide an existing regional education attendance area according to geographic, cultural or other features relevant to coastal management planning.

Veronica

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING

225 CORDOVA, BUILDING B
ANCHORAGE, ALASKA 99501

March 21, 1980

Mr. Richard Careaga
Director of Planning
P.O. Box 89
Unalaska, Alaska 99685

Dear Mr. Careaga:

In response to your letter of March 17 requesting our assistance in drafting an amendment to AS 46.40.120(b), I would like to relay the following information.

The City Councils of Sand Point and King Cove have made identical requests. In order to accommodate these requests in a timely manner I drafted a proposed amendment and presented same to the Alaska Coastal Policy Council on Wednesday, March 19.

Following my presentation and brief discussion the Council voted 11-0 in favor of a resolution supporting the proposed amendment. This support will accompany the proposed amendment to Juneau where we will request it be introduced via committee. We will meet with Sand Point officials and legislators for the affected area next week in Juneau to discuss the matter.

I have enclosed a copy of the proposed amendment for your City Council's review. Should the Council support it as written, I would appreciate a letter to that affect. Should there be a need to amend the language please contact me immediately as time is of the essence.

Thank you for your assistance in this matter and please assure the City Council and Mayor Holmes that we will keep them informed as things progress.

Thank you also for the courtesies extended during our recent visit. I enjoyed our stay.

Best regards,

Larry

Lawrence H. Kimball, Jr.
Director

Attachment

21-P16LH

The Honorable Bill Parker

Chairman

Community and Regional Affairs

Committee

Alaska State House of Representatives

Pouch V

Juneau, Alaska 99811

Dear Mr. Chairman:

SUBJECT: HB 992

At your request, the Department of Community and Regional Affairs has prepared background information on HB 992 and explored alternatives to the bill.

BACKGROUND

The Alaska Coastal Management Act of 1977, as amended, allows residents of the unorganized borough to organize coastal resource districts encompassing one or more regional educational attendance areas (REAAs). Each district prepares a coastal management program to be submitted to the Coastal Policy Council and State Legislature. The Commissioner of Community and Regional Affairs presently has authority to combine two or more REAAs into a single coastal resource service area. All municipalities which exercise planning powers are also districts. This system seems to

districts the regional center has chosen not to join the adjacent service area. Consequently, in the Bering Straits region there are two coastal resource districts, the City of Nome and the Bering Straits Coastal Resource Service Area; in the ~~Lower~~ Yukon/~~Lower~~ Kuskokwim region, there are also two coastal resource districts, the City of Bethel and the ~~Lower~~ Yukon/~~Lower~~ Kuskokwim Coastal Resource Service Area.

In addition to the regions discussed in the foregoing paragraphs, there are six coastal REAAs which have ~~been reticent to~~ not yet organize coastal resource districts. They have the following characteristics:

1. Four of them--the Aleutian Islands (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19) and Prince William Sound (REAA 21)--have several first class or home rule cities each and no clearly defined regional center. Therefore, each region has several school districts, several coastal resource districts, and no established central gathering place or service center (except Anchorage or Juneau).

2. Federal landholdings consume much of the land within each region. Federally owned land is not part of the State's coastal zone. Settled areas and non-federal land often occur as isolated pockets separated by thousands of acres of federally owned land.

HB 992 resulted from concern that none of the organizational options offered by the Alaska Coastal Management Act may be well suited to situations of the second set of REAAs discussed above (REAAs 8, 9, 10,

18, 19, 21). Attachment 2 describes advantages and disadvantages of the status quo [AS 46.40120(b)], HB 992, three legislative alternatives and one administrative alternative.

Sincerely,

Lee McAnerney

Commissioner

cc: The Honorable Arliss Sturgulewski

Alaska State Senate

bcc: Lawrence H. Kimball, Jr., DCRA

Murray Walsh, OCM

Mark Stephens, DCRA

Veronica Clark, DCRA

Mary Jo Waits, DCRA

file code?

	Region	Coastal Resource Districts (Including cities and boroughs within regions defined by REAAs)
~~REAA~~ 1	Northwest Alaska	* ~~Northwest Alaska~~ Coastal Resource Service Area
REAA 2	Bering Straits	* Nome * Bering Straits Coastal Resource Service Area
REAA 3&4	Lower Yukon/ Lower Kuskokwim	Bethel * ~~Lower~~ Yukon/~~Lower~~ Kuskokwim Coastal Resource Service Area
REAA 6~~&7~~	Nushagak-Bristol Bay	Dillingham ~~Bristol Bay Coastal Resource Service Area (potential)~~
~~REAA 7~~	Lake/Peninsula-Bristol Bay	* Bristol Bay Borough * Bristol Bay Coastal Resource Service Area (potential)
REAA 8	Aleutian Islands	Unalaska King Cove Sand Point Aleutian Chain Coastal Resource Service Area (potential)
REAA 9	Pribilof Islands	Pribilof Islands Coastal Resource Service Area (potential)
REAA 10	Adak	Adak Coastal Resource Service Area (potential)
REAA 18	Northern Panhandle	* Yakutat * Haines (City) * Skagway * ~~Juneau~~ Hoonah — Pelican Hoonah * Sitka * Kake Northern Panhandle Coastal Resource Service Area (potential)
REAA 19	Southern Panhandle	* Petersburg * Wrangell * Klawock * Craig * Hydaburg * Ketchikan Gateway Borough Southern Panhandle Coastal Resource Service Area (potential)
REAA 20	Metlakatla/Annette	* Annette Islands Indian Reserve
REAA 21	Chugach	* Cordova * Valdez Prince William Sound Coastal Resource Service Area (potential)

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* Program under way or completed

Status quo

AS 46.40.120(b) allows the Commissioner of Community and Regional Affairs to consolidate two or more REAAs into one coastal resource service area after considering standards applicable to incorporation of borough governments or the likelihood that a borough would be incorporated within the area.

HB 992

Under HB 992, AS 46.40.120(b) would be amended to allow the Commissioner of Community and Regional Affairs to not only consolidate two or more REAAs into one coastal resource service area, but also subdivide REAAs into separate coastal resource service areas according to geographic, cultural, or other features relevant to coastal management planning. Borough incorporation standards would also be considered.

Legislative alternative #1

Retain the language of HB 992, but restrict application of the subdivision providion to teh Aleutian Chain (REAA 1), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19), and Prince William Sound (REAA 21).

By using the REAA as the basic unit for planning in the unorganized borough, the present law does not create any new boundaries for delivery of government services.

oHB 992 still uses REAAs as the basic unit of reference for coastal resource service areas.

°First-class or home-rule cities of the unorganized borough might be more inclined to join coastal resource service areas smaller than the entire REAA in which they are located.

°HB 992 would allow residents to plan for those areas which affect them most directly and with which they are most intimately familiar.

This provision would restrict application of the subdiviison section to areas most likely to express interest in them.

The present law allows first-class and home rule cities (and second-class cities under certain circumstances) to develop coastal management programs separate from the region and a number of cities do not see it in their best interest to join forces with an entire REAA. Consequently, coastal resource service areas are not being organized in several REAAs and yet many cities have legitimate interest in influencing development outside their corporate limits.

Indiscriminate subdivision of an REAA could produce fragmented coastal management programs.

°The restriction may be unnecessary since coastal resource service areas have organized districts in most of the other coastal REAAs.

°There may be constitutional question about treating regions differently.

egislative alternative #2

Retain the language of HB 992, but add the following provision:

If an REAA is divided and an organization election is called in one subdivision, an election will automatically be called in all other subdivisions of the REAA. If any one of the subdivisions elects to organize a district, all other subdivisions are automatically organized. The coastal management program from all subdivisions of an REAA must be coordinated from the outset and submitted simultaneously to enable the Coastal Policy Council and State Legislature to reach a reasonable conculsion about the compatibility of the plans. Although each subdivision would have its own board, there would be a seven-member regional oversight board with representation from the entire REAA (or combination of REAAs on a one-man, one-vote basis.

Advantages

°All of the advantages of HB 992

°Greater coordination among plans than would be afforded under HB 992.

Disadvantages

°Certain areas may be prematurely coerc into preparing a coastal management program by virtue of actions taken by neighboring areas.

°Any section could delay approval of th programs of other sections.

°Creation of another layer of governmen thereby making the process more cumber and costly.

d inistrative alternative

No legislative change, but a coastal resource service area could voluntarily organize itself in such a way that board members from one area would meet routinely with local people in that area and use the full board meetings as a means to combine sectional ideas and make compromises if necessary.

Local involvement in regional coastal management planning with as few new formal structures as possible

The representation and consequent votir strength of any given area on the sever member service area board would be less an entire REAA than in a subdivision of

4/25/80

TO: Margo
FROM: Marjorie

Re HB 992 SB562

Change #2 to require that for each subdivision of an REAA must contain at least one first class, or home rule city (Valdez and Cordova are both home rule as are Petersburg and Wrangell). Also, we need to be aware that in REAA 7 there is no first class or home rule city, only the second class city of Port Heiden)

#9 for consideration should be:
An REAA subdivided for the purpose of coastal management planning may be combined with another coastal resource service area for coastal zone management purposes.



Mayo - then Anl 53

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B — JUNEAU 99811

April 21, 1980

The Honorable Bill Parker
Chairman
Community and Regional Affairs
Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

At your request, the Department of Community and Regional Affairs has prepared background information on HB 992 and explored alternatives to the bill.

BACKGROUND

The Alaska Coastal Management Act of 1977, as amended, allows residents of the unorganized borough to organize coastal resource districts encompassing one or more regional educational attendance areas (REAAs). The Commissioner of Community and Regional Affairs has authority to combine two or more REAAs into a single coastal resource service area prior to organizational elections. Municipalities which exercise planning powers are also districts; they may join an adjacent coastal resource service area but are not required to do so. Each district prepares a coastal management program to be submitted to the Coastal Policy Council and State Legislature. This system seems to work well in certain areas, but has been received with reservation in others. Attachment 1 lists each coastal REAA and coastal resource districts within each REAA and indicates whether the district's coastal management program is under way or completed. REAAs which have not yet conducted coastal management elections but could do so under the present law are described as "potential" districts.

Coastal resource districts have been organized in three regions of the unorganized borough; another region is seriously considering following suit. Districts have formed in the Northwest Alaska region (REAA 1), the Bering Straits region (REAA 2), and the Yukon/Kuskokwim region (REAAs 3 and 4); district formation is under consideration in the Bristol Bay region (REAAs 6 and 7). These four regions have the following traits in common:

21-P2LH

1. Each region has one dominant regional center: Kotzebue in the Northwest Alaska region; Nome in the Bering Straits region; Bethel in the Yukon/Kuskokwim region and Dillingham in the Bristol Bay region.

2. All of the communities in the Northwest Alaska region and all but one in each of the other regions are second class cities or unincorporated and therefore obtain educational services from an REAA. (First class and home rule cities operate their own school districts.)

3. In two of the three regions which have organized coastal resource districts the regional center has chosen not to join the adjacent service area. Consequently, in the Bering Straits region there are two coastal resource districts, the City of Nome and the Bering Straits Coastal Resource Service Area; in the Yukon/Kuskokwim region, there are also two coastal resource districts, the City of Bethel and the Yukon/Kuskokwim Coastal Resource Service Area.

In addition to the regions discussed in the foregoing paragraphs, there are six coastal REAAs which have not yet organized coastal resource districts. They have the following characteristics:

1. Four of them--the Aleutian Islands (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19) and Prince William Sound (REAA 21)--have several first class or home rule cities each and no dominant regional center. Therefore, each region has several school districts, several coastal resource districts, and no established central gathering place or service center (except Anchorage, Juneau, or Seattle).

2. Federal landholdings consume much of the land within each region. Federally owned land is not part of the State's coastal zone. Settled areas and non-federal land often occur as isolated pockets separated by thousands of acres of federally owned land.

HB 992 resulted from concern that options offered by the Alaska Coastal Management Act may not be well suited to the second set of REAAs discussed above (REAAs 8, 9, 10, 18, 19, 21). Attachment 2 describes advantages and disadvantages of the status quo [AS 46.40.120(b)], HB 992, two legislative alternatives and one administrative alternative.

Sincerely,

Marie Matsumoto-Pignalberi

for Lee McAnerney
Commissioner

Attachments

cc: The Honorable Arliss Sturgulewski
Alaska State Senate

The Honorable Bob Mulcahy
Alaska State Senate

The Honorable Al Osterback
Alaska State House of Representatives

Keith Specking
Office of the Governor

Attachment 1

	Region	Coastal Resource Districts (Including cities and boroughs within regions generally defined by REAAs)
REAA 1	Northwest Alaska	* NANA Coastal Resource Service Area
REAA 2	Bering Straits	* Nome * Bering Straits Coastal Resource Service Area
REAA 3&4	Lower Yukon/ Lower Kuskokwim	Bethel * Yukon/Kuskokwim Coastal Resource Service Area
REAA 6&7	Nushagak-Bristol Bay Lake/Peninsula-Bristol Bay	Dillingham * Bristol Bay Borough * Bristol Bay Coastal Resource Service Area (potential)
REAA 8	Aleutian Islands	Unalaska King Cove Sand Point Aleutian Chain Coastal Resource Service Area (potential)
REAA 9	Pribilof Islands	Pribilof Islands Coastal Resource Service Area (potential)
REAA 10	Adak	Adak Coastal Resource Service Area (potential)
REAA 18	Northern Panhandle	* Yakutat * Haines (City) * Skagway * Juneau Pelican Hoonah * Sitka * Kake Northern Panhandle Coastal Resource Service Area (potential)
REAA 19	Southern Panhandle	* Petersburg * Wrangell * Klawock * Craig * Hydaburg * Ketchikan Gateway Borough Southern Panhandle Coastal Resource Service Area (potential)
REAA 20	Metlakatla/Annette	* Annette Islands Indian Reserve
REAA 21	Chugach	* Cordova * Valdez Prince William Sound Coastal Resource Service Area (potential)

* Program under way or completed

Status quo	Advantages	Disadvantages
AS 46.40.120(b) allows the Commissioner of Community and Regional Affairs to consolidate two or more REAAs into one coastal resource service area after considering standards applicable to incorporation of borough governments , the likelihood that a borough would be incorporated within the area, or the extent of federally owned land and water within the area.	By using the REAA as the basic unit for planning in the unorganized borough. the present law does not create any new boundaries for delivery of government services.	The present law allows first-class and home rule cities (and second-class cities under certain circumstances) to develop coastal management programs separate from the region. Many cities do not see it in their best interest to join forces with an entire REAA. Consequently, coastal resource service areas are not being organized in several REAAs, yet many cities have legitimate interest in influencing development outside their corporate limits.
HB 992		
Under HB 992, AS 46.40.120(b) would be amended to allow the Commissioner of Community and Regional Affairs to not only consolidate two or more REAAs into one coastal resource service area, but also subdivide REAAs into separate coastal resource service areas according to geographic, cultural, or other features relevant to coastal management planning. Borough incorporation standards would also be considered, as would federal ownership of coastal land and water.	HB 992 also uses REAAs as the basic unit of reference for coastal resource service areas. First-class or home-rule cities of the unorganized borough might be more inclined to join coastal resource service areas smaller than the entire REAA in which they are located. HB 992 would allow residents to plan for those areas which affect them most directly and with which they are most intimately familiar.	Indiscriminate subdivision of an REAA could produce fragmented coastal management programs.
Legislative alternative #1		
Retain the language of HB 992, but restrict application of the subdivision provision to the Aleutian Chain (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19), and Prince William Sound (REAA 21). Allow the Commissioner of Community and Regional Affairs to combine REAAs with subdivisions of other REAAs if such combinations satisfy standards mentioned in HB 992.	This provision would restrict application of the subdivision section to areas most likely to express interest in them.	The restriction may be unnecessary since coastal resource service areas have organized districts in most of the other coastal REAAs. There may be constitutional questions about treating regions differently by specifying the geographic area rather than by specifying standards which must be met.

Attachment 2

Legislative alternative #2	Advantages	Disadvantages
Retain the language of HB 992, but add the following provision: If an REAA is divided and an organization election is called in one subdivision, an election will automatically be called in all other subdivisions of the REAA. If any one of the subdivisions elects to organize a district, all other subdivisions are automatically organized. The coastal management program from all subdivisions of an REAA must be coordinated from the outset and submitted simultaneously to enable the Coastal Policy Council and State Legislature to reach a reasonable conclusion about the compatibility of the plans. Although each subdivision would have its own board, there would be a seven-member regional oversight board with representation from the entire REAA (or combination of REAAs) on a one-man, one-vote basis.	All of the advantages of HB 992. Greater coordination among plans than would be afforded under HB 922.	Certain areas may be prematurely coerced into preparing a coastal management program by virtue of actions taken by neighboring areas. Any section could delay approval of the programs of other sections. Creation of another layer of government would make the process more cumbersome and costly.

Administrative alternative		
A coastal resource service area encompassing one or more REAAs could voluntarily organize itself in such a way that board members from one area would meet routinely with local people in that area and use full board meetings as a means to combine sectional ideas and make compromises if necessary.	Local involvement in regional coastal management planning with as few new formal structures as possible. No legislative change would be needed.	The representation and consequent voting strength of any given area on the seven-member service area board would be less in an entire REAA than in a subdivision of it.

subregions
like NSB did
for planning purposes

SB562

STATE OF ALASKA

COASTAL POLICY COUNCIL

April 17, 1980

LOCAL MEMBERS:
Donald Gilman, Lower Cook Inlet, Co-Chairman
Stanley Anderson, Bering Straits
Jon Halliwell, Northern Southeast
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
John Nicori, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer, Director of Policy Development & Planning, Co-chairman
Robert Ward, Commissioner of Transportation & Public Facilities
Charles Webber, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

The Honorable Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

The Alaska Coastal Policy Council, at its last meeting on March 18 and 19, 1980, took action on four items related to coastal management that will be of interest to the Legislature and in particular to the two Community and Regional Affairs Committees.

Resolution 79-2 of the Rural Alaska Coastal Management Conference, requesting Continuation of Coastal Resource Service Area (CRSA) boards, was endorsed by the council with a request for implementation powers deleted. Resolution 79-6 of the Rural Alaska Coastal Management Conference requesting the creation of interior resource districts, was endorsed in its entirety by the council. Copies of the resolutions, as the council endorsed them, are attached for your information.

The council supports CSSB 348, CSSB 349, and CSHB 581, as described by Ms. Margo Waring, which deal with local governments and make provisions for unorganized boroughs, including the division of rural education attendance areas.

Finally, the council voted to request amendment of section 46.40.120 (b) of the Alaska Coastal Management Act as follows:

> The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional education attendance areas as a single coastal resource service area <u>or may subdivide an existing regional education attendance area, according to geographic, cultural, or other features relevant to coastal management planning</u>.

This proposed amendment is now before the House of Representatives as HB 992, currently pending in the House Community and Regional Affairs Committee.

ALASKA
COASTAL MANAGEMENT PROGRAM

If further information is required, please contact Murry Walsh, Coordinator of the Office of Coastal Management (465-3540).

Sincerely,

Frances A. Ulmer
Co-chairman

Donald Gilman
Co-chairman

Attachments

RESOLUTION 79-2 OF THE RURAL ALASKA COASTAL MANAGEMENT CONFERENCE

AS ENDORSED BY THE ALASKA COASTAL POLICY COUNCIL

ENTITLED: REQUESTING CONTINUATION OF COASTAL RESOURCE SERVICE AREA BOARDS.

WHEREAS, the Alaska Coastal Management Act of 1977 allows for the formation of coastal resource service areas in the unorganized borough for the purpose of developing coastal management programs, and

WHEREAS, the Department of Community and Regional Affairs provides funding and technical assistance so that coastal management plans may be developed and approved; and

WHEREAS, the coastal resource service area is formed after an election by the communities in the affected region; and

WHEREAS, the coastal resource service area boards are comprised of members from those various communities; and

WHEREAS, there is currently no provision for funding of coastal resource service area boards after the approval of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor the implementation of their plans; and

WHEREAS, there is no mechanism for coastal resource service areas to monitor consistency determinations made by state agencies;

NOW THEREFORE BE IT RESOLVED that the Alaska State Legislature amend the Alaska Coastal Management Act of 1977 in order that the coastal resource service boards maintain their identity and be funded after approval by the Coastal Policy Council and the legislature of their coastal management plans.

RESOLUTION 79-6 OF THE RURAL ALASKA COASTAL MANAGEMENT CONFERENCE

AS ENDORSED BY THE ALASKA COASTAL POLICY COUNCIL

ENTITLED: REQUEST FOR CREATION OF INTERIOR RESOURCE DISTRICTS.

WHEREAS, the State of Alaska and the federal government have released oil and gas lease schedules for the next five years; and

WHEREAS, the State of Alaska and the federal government have enacted legislation providing for the formation of coastal resource districts; and

WHEREAS, the federal government and the State of Alaska provide funds for implementation of coastal zone management plans to the coastal districts; and

WHEREAS, the State of Alaska's five year schedule includes oil and gas lease sales in the interior of Alaska; and

WHEREAS, oil and gas development and pipeline construction in the Interior has the same impact as offshore development; and

WHEREAS, these interior areas have no legislative basis for creating district plans and no source of funding districts in the event of oil and gas lease sales and pipeline construction; and

WHEREAS, the Department of Community and Regional Affairs is allocated funds for the development of coastal districts,

Now, therefore, be it

RESOLVED, that the Department of Community and Regional Affairs search for a method of funding resource districts in the areas of the Interior which will be impacted by state oil and gas lease sales and pipeline construction, and

BE IT FURTHER RESOLVED that the Alaska State Legislature fund interim planning districts.

Application of ACMP to the
Aleutian/Pribilof Island Region

Problem:

Options provided under the Alaska Coastal Management Act for formation of "coastal resource districts" are not applicable to the Aleutian/Pribilof Island Region.

Background:

The Aleutian/Pribilof Island Region presents a unique situation relative to the establishment of coastal resource service areas. Within the Region are three first-class cities (Sand Point, King Cove and Unalaska) as well as regional educational attendance areas 8, 9 and 10 (Aleutian Chain, Pribilof and Adak).

Under present law the first-class cities have the option of becoming single coastal resource service areas, thus establishing their own coastal management planning programs within their respective political boundaries, or of joining forces with the REAA's to develop a regional planning effort.

In addition, the three REAA's may become separate coastal resource service areas or, under authority granted in AS 46.40.120(b) the Commissioner of the Department of Community and Regional Affairs, may consolidate REAA's 8, 9 and 10 into one or two service areas for coastal management purposes.

Given these conditions there exists the possibility of one or six, or any combination within these numbers, coastal resource service areas being created within the Aleutian/Pribilof Island Region.

The population of the Region is approximately 5000 with [illegible] residing in the three first-class cities (Sand Point 773, King Cove 733 and Unalaska 768). The second-class communities of Akutan and St. Paul contain 652 residents, 85 and 567 respectively. Total Regional population residing in incorporated municipalities totals 2926 or 81%. Clearly, if the first-class communities elect to establish their own programs within their jurisdictions, the remaining area (REAA's 8, 9, & 10) will be substantially diluted of human resources with which to develop and implement a coastal management program.

Land interests in the region are geographically complex. Village corporations were unable to select ANCSA entitlements within the core townships of Native villages due to the configuration of islands and Federal reserves. As such, village corporations selected deficiency lands under the Act this resulted in the ownership of land many miles from their respective villages. An example is the Tanadqusix Corporation at St. Paul (Pribilof Islands). Tanadqusix Corporation has substantial land holdings approximately 200 miles away on Unalaska Island. This is the case for a majority of the Aleutian's village corporations thus creating an extremely fragmented pattern of land ownership and land interests throughout the chain.

Several Aleutian villages are vacant of population, yet represent vast land holdings and thus development interests for shareholders residing elsewhere. Unga and Sanak are two cases in point. Village Corporation members from Unga and Sanak reside in Sand Point yet hold major land interests outside of Sand Points City boundaries. They fear that should Sand Point elect to become a coastal resource service area they, as residents of Sand Point, will be precluded from having a voice in a coastal management program which encompasses their corporate land holdings.

The communities, on the other hand, would prefer to work with the respective corporations in a coastal management program but do not care to be involved or necessarily influenced by actions a thousand miles away.

The Aleutian/Pribilof Island Region situation strongly indicates the need to provide a third option for creating coastal resource service areas. This option would address the need to create service districts which emphasize common interests and geographic proximity in areas where land mass, economic interests and population are not contiguous.

Proposed Legislative Amendment

Section 3 AS 46.40.120(b) is amended to read:

(b) The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may subdivide an existing regional education attendance area according to geographic, cultural or other features relevant to coastal management planning.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING

225 CORDOVA, BUILDING B
ANCHORAGE, ALASKA 99501

March 21, 1980

Mr. Richard Careaga
Director of Planning
P.O. Box 89
Unalaska, Alaska 99685

Dear Mr. Careaga:

In response to your letter of March 17 requesting our assistance in drafting an amendment to AS 46.40.120(b), I would like to relay the following information.

The City Councils of Sand Point and King Cove have made identical requests. In order to accommodate these requests in a timely manner I drafted a proposed amendment and presented same to the Alaska Coastal Policy Council on Wednesday, March 19.

Following my presentation and brief discussion the Council voted 11-0 in favor of a resolution supporting the proposed amendment. This support will accompany the proposed amendment to Juneau where we will request it be introduced via committee. We will meet with Sand Point officials and legislators for the affected area next week in Juneau to discuss the matter.

I have enclosed a copy of the proposed amendment for your City Council's review. Should the Council support it as written, I would appreciate a letter to that affect. Should there be a need to amend the language please contact me immediately as time is of the essence.

Thank you for your assistance in this matter and please assure the City Council and Mayor Holmes that we will keep them informed as things progress.

Thank you also for the courtesies extended during our recent visit. I enjoyed our stay.

Best regards,

Lawrence H. Kimball, Jr.
Director

Attachment

Introduced: 4/3/80
Referred: Community & Regional Affairs

IN THE HOUSE BY THE RESOURCES COMMITTEE

HOUSE BILL NO. 992

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the formation of coastal resource service areas; and providing for an effective date."

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

* Section 1. AS 46.40.120(b) is amended to read:

(b) The commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area or may divide an existing regional educational attendance area into two or more coastal resource service areas according to geographic, cultural or other features relevant to coastal management planning

(1) if a substantial portion of the coastal area contains land and water area owned by the federal government over which it exercises exclusive jurisdiction or land held in trust by the federal government for Alaska Natives over which the state would not exercise control as to use; or

(2) if, after giving due consideration to the standards applicable to incorporation of borough governments and the likelihood that a borough will be incorporated within the area, the commissioner determines that the functions to be performed under this chapter could be undertaken more efficiently through the combination of two or more regional educational attendance areas as a single coastal resource service area or through the division of a regional educational attendance area into two or more coastal resource service areas.

CALL 2nr Mgmt

The Honorable Bill Parker

Chairman

Community and Regional Affairs

Committee

Alaska State House of Representatives

Pouch V

Juneau, Alaska 99811

Dear Mr. Chairman:

SUBJECT: HB 992

At your request, the Department of Community and Regional Affairs has prepared background information on HB 992 and explored alternatives to the bill.

BACKGROUND

The Alaska Coastal Management Act of 1977, as amended, allows residents of the unorganized borough to organize coastal resource districts encompassing one or more regional educational attendance areas (REAAs). Each district prepares a coastal management program to be submitted to the Coastal Policy Council and State Legislature. The Commissioner of Community and Regional Affairs presently has authority to combine two or more REAAs into a single coastal resource service area. All municipalities which exercise planning powers are also districts. This system seems to

districts the regional center has chosen not to join the adjacent service area. Consequently, in the Bering Straits region there are two coastal resource districts, the City of Nome and the Bering Straits Coastal Resource Service Area; in the ~~Lower~~ Yukon/~~Lower~~ Kuskokwim region, there are also two coastal resource districts, the City of Bethel and the ~~Lower~~ Yukon/~~Lower~~ Kuskokwim Coastal Resource Service Area.

In addition to the regions discussed in the foregoing paragraphs, there are six coastal REAAs which have ~~been reticent to~~ not yet organize coastal resource districts. They have the following characteristics:

1. Four of them--the Aleutian Islands (REAA 8), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19) and Prince William Sound (REAA 21)--have several first class or home rule cities each and no clearly defined regional center. Therefore, each region has several school districts, several coastal resource districts, and no established central gathering place or service center (except Anchorage or Juneau).

2. Federal landholdings consume much of the land within each region. Federally owned land is not part of the State's coastal zone. Settled areas and non-federal land often occur as isolated pockets separated by thousands of acres of federally owned land.

HB 992 resulted from concern that ~~none of~~ the organizational options offered by the Alaska Coastal Management Act may be well suited to situations of the second set of REAAs discussed above (REAAs 8, 9, 10,

18, 19, 21). Attachment 2 describes advantages and disadvantages of the status quo [AS 46.40120(b)], HB 992, three legislative alternatives and one administrative alternative.

Sincerely,

Lee McAnerney
Commissioner

cc: The Honorable Arliss Sturgulewski
Alaska State Senate

bcc: Lawrence H. Kimball, Jr., DCRA
Murray Walsh, OCM
Mark Stephens, DCRA
Veronica Clark, DCRA
Mary Jo Waits, DCRA

file code?

	Region	Coastal Resource Districts (Including cities and boroughs within regions defined by REAAs)
REAA 1	Northwest Alaska	* Northwest Alaska Coastal Resource Service Area
REAA 2	Bering Straits	* Nome * Bering Straits Coastal Resource Service Area
REAA 3&4	Lower Yukon/ Lower Kuskokwim	Bethel * ~~Lower~~ Yukon/~~Lower~~ Kuskokwim Coastal Resource Service Area
REAA 6&7	Nushagak-Bristol Bay	Dillingham ~~Bristol Bay Coastal Resource Service Area (potential)~~
~~REAA 7~~	Lake/Peninsula-Bristol Bay	* Bristol Bay Borough * Bristol Bay Coastal Resource Service Area (potential)
REAA 8	Aleutian Islands	Unalaska King Cove Sand Point Aleutian Chain Coastal Resource Service Area (potential)
REAA 9	Pribilof Islands	Pribilof Islands Coastal Resource Service Area (potential)
REAA 10	Adak	Adak Coastal Resource Service Area (potential)
REAA 18	Northern Panhandle	* Yakutat * Haines (City) * Skagway * ~~Juneau~~ Hoonah * Sitka * Kake Northern Panhandle Coastal Resource Service Area (potential)
REAA 19	Southern Panhandle	* Petersburg * Wrangell * Klawock * Craig * Hydaburg * Ketchikan Gateway Borough Southern Panhandle Coastal Resource Service Area (potential)
REAA 20	Metlakatla/Annette	* Annette Islands Indian Reserve
REAA 21	Chugach	* Cordova * Valdez Prince William Sound Coastal Resource Service Area (potential)

* Program under way or completed

Status quo AS 46.40.120(b) allows the Commissioner of Community and Regional Affairs to consolidate two or more REAAs into one coastal resource service area after considering standards applicable to incorporation of borough governments or the likelihood that a borough would be incorporated within the area.	By using the REAA as the basic unit for planning in the unorganized borough, the present law does not create any new boundaries for delivery of government services.	The present law allows first-class and home rule cities (and second-clas cities under certain circumstances) t develop coastal management programs separate from the region and a number of cities do not see it in their best interest to join forces with an entir REAA. Consequently, coastal resourc service areas are not being organized in several REAAs and yet many cities have legitimate interest in influenci development outside their corporate limits.
HB 992 Under HB 992, AS 46.40.120(b) would be amended to allow the Commissioner of Community and Regional Affairs to not only consolidate two or more REAAs into one coastal resource service area, but also subdivide REAAs into separate coastal resource service areas according to geographic, cultural, or other features relevant to coastal management planning. Borough incorporation standards would also be considered.	oHB 992 still uses REAAs as the basic unit of reference for coastal resource service areas. °First-class or home-rule cities of the unorganized borough might be more inclined to join coastal resource service areas smaller than the entire REAA in which they are located. °HB 992 would allow residents to plan for those areas which affect them most directly and with which they are most intimately familiar.	Indiscriminate subdivision of an REAA could produce fragmented coastal management programs.
Legislative alternative #1 Retain the language of HB 992, but restrict application of the subdivision providion to teh Aleutian Chain (REAA 1), Northern Panhandle (REAA 18), Southern Panhandle (REAA 19), and Prince William Scund (REAA 21).	This provision would restrict application of the subdiviison section to areas most likely to express interest in them.	°The restriction may be unnecessary since coastal resource service areas have organized districts in most of the other coastal REAAs. °There may be constitutional questions about treating regions differently.

Legislative alternative #2

Retain the language of HB 992, but add the following provision:

If an REAA is divided and an organization election is called in one subdivision, an election will automatically be called in all other subdivisions of the REAA. If any one of the subdivisions elects to orgarize a district, all other subdivisions are automatically organized. The coastal management program from all subdivisions of an REAA must be coordinated from the outset and submitted simultaneously to enable the Coastal Policy Council and State Legislature to reach a reasonable conculsion about the compatibility of the plans. Although each subdivision would have its own board, there would be a seven-member regional oversight board with representation from the entire REAA (or combination of REAAs on a one-man, one-vote basis.

Advantages

°All of the advantages of HB 992

°Greater coordination among plans than would be afforded under HB 992.

Disadvantages

°Certain areas may be prematurely coerced into preparing a coastal management program by virtue of actions taken by neighboring areas.

°Any section could delay approval of the programs of other sections.

°Creation of another layer of government thereby making the process more cumbersome and costly.

Administrative alternative

No legislative change, but a coastal resource service area could voluntarily organize itself in such a way that board members from one area would meet routinely with local people in that area and use the full board meetings as a means to combine sectional ideas and make compromises if necessary.

Local involvement in regional coastal management planning with as few new formal structures as possible

The representation and consequent voting strength of any given area on the seven-member service area board would be less in an entire REAA than in a subdivision of it

ALASKA COASTAL MANAGEMENT PROGRAM
GRANT RECIPIENTS

Recipients	1978-1979 Amount	1978-1979 Term. Date	1979-1980 Amount	1979-1980 Term. Date	Comments
Aleutian-Pribilof Islands Association	-	-	-	-	Application pending for information program
Bering Straits Coastal Service Area	-	-	-	-	Organizational work conducted by Kawerak, Inc.
Bristol Bay Borough	-	-	-	-	Application pending
City and Borough of Sitka	$ 20,840	6/30/79	$ 40,000	6/30/80	-
City and Borough of Juneau	52,061	6/30/79	-	-	Application pending
City of Bethel	-	-	-	-	Preparing comprehensive plan
City of Cordova	20,824	6/30/79	67,232	6/30/81	-
Cities of Craig and Klawock	16,000	6/30/79	-	-	-
City of Dillingham	-	-	-	-	Application pending
City of Haines	24,000	7/08/79	4,960	1/31/80	Submitted to Legislature
City of Hydaburg	-	-	-	-	Information meeting 3/80
City of Kake	-	-	-	-	Application pending ($16,000)
City of King Cove	-	-	-	-	Information meeting 3/80
City of Nome	-	-	-	-	Application pending ($100,000)
City of Petersburg	30,000	7/08/79	-	-	Application pending ($68,000)
City of Sand Point	-	-	-	-	Information meeting 3/80
City of Skagway	-	-	-	-	Program funding under CEIP
City of Unalaska	-	-	-	-	Information meeting 3/80
City of Valdez	15,200	6/30/79	90,840	6/30/81	-
City of Wrangell	-	-	-	-	Application pending
City of Yakutat	12,500	7/08/79	46,280	6/30/80	-
Kawerak, Inc.	-	-	15,552	4/18/80	Organizational work for Bering Straits Coastal Resource Service Area
Kenai Peninsula Borough	60,000	5/31/79	200,000	4/30/81	-
Ketchikan Gateway Borough	56,000	7/08/79	16,000	6/30/80	Application pending ($30,000)
Kodiak Island Borough	-	-	228,000	6/30/81	-
Matanuska-Susitna Borough	49,500	6/30/79	-	-	Application pending
Mauneluk Association	-	-	13,500	5/31/80	Organizational work for Northwest Alaska Coastal Resource Service Area
Metlakatla Indian Community	39,000	7/08/79	41,600	6/30/80	Submitted to Legislature; application pending ($32,800)
Municipality of Anchorage	51,166	6/30/79	360,650	10/31/80	Submitted to Legislature
North Slope Borough	34,400	6/30/79	12,850	11/16/79	Application pending ($300,000)
Northwest Alaska Coastal Resource Service Area	-	-	-	-	Organizational work conducted by Mauneluk Association
Protectors of the Land, Inc.	20,800	5/31/79	29,600	3/31/80	Organizational work for the Yukon/Kuskokwin Coastal Resource Service Area
Yukon/Kuskokwim Coastal Resource Service Area	-	-	-	-	Organizational work conducted by Protectors of the Land, Inc.; application expected ($150,000)
TOTAL OBLIGATED	$502,291		$1,167,064		
AUTHORIZED	$520,000		$1,720,000		Additional FY 80 applications: $606,800

SB
565



Kuskokwim Native Association

May 9, 1980

The Honorable Clem Tillion
Senate President
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

We would like to support SB 565, enabling the State to recognize Native Village Governments and encouraging them to administer local governmental programs.

The State Revenue Sharing Program is one example of a means by which Native Village Governments might handle their own affairs and increase interaction and cooperation between the state and village governments.

At the present time, the only state revenue sharing funds that an unincorporated village is eligible for are Volunteer Fire Department monies. If we consider the state revenue sharing program as a means for the state to share it's wealth with local governments to assist in local government function, then we are doing a tremendous disservice to those small unincorporated villages who are struggling to provide some of the same services as small cities in the unorganized borough. At a time when the Legislature is considering establishing regional units within the unorganized borough, I beleive that we need to first strengthen the village local government capabilities.

I have been working in the area of local government for our KNA villages over the past three years. During that time I have seen much development in each village's capability to handle its own affairs. For the state to ignoreour federally recognized Native Village Governments is a hinderance to the villages who are attempting to strengthen their local government capabilities and village development. For many villages, the Native Village Government is the only form of local government and should be encouraged to participate in state programs in the same manner as a second class city.

I would be happy to supply any additional information to you regarding specific questions dealing with Native Village Governments in our KNA area.

Sincerely,

Cheryl Jerabek

Cheryl Jerabek
Self-Determination/Local Govt
Director

cc: KNA Village & Traditional Councils
House & Senate Bush Caucus
House & Senate C/RA Committee Members

BOX 196, ANIAK, ALASKA 99557 PHONE (907) 675-4384

SB
567

Introduced 4-17-80
Referred to Commerce & Finance.

Committee Log Book - 1980

Tape Number XXII

SENATE C/RA
Committee

Side Number 1 & 2

PRESENT: Senators Mulcahy, Rodey, Chairman Sturgulewski
LATE: Senators Stimson and Kelly

Dates 4/15/80 to --

Bill Numbers Discussed

CSHB 550	SB 546								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p. 4/15/80	005	CSHB 550	Chairman Sturgulewski opened meeting & gave a brief summary
	029		Representative Joyce Munson, Sponsor
	123		Sen. Rodey / Traffic lights owned by city?
	188		Mike Thompson, Anchorage Municipality Traffic Div.
	208		Sen. Rodey questioned past cooperation/coordination between State and Municipality
	242		Ron Lind, Dept. of Transportation & D.P. - No Objections
	250		Mitch Gravo, Anchorage Municipality, Support bill
	281		Senator Rodey moved to "do pass" no objections..
	300	RES.	Summary / resolution requesting Gov. to direct Dept. Fish & Game to conduct study relating to the restocking of Anchorage lakes. COMM. INTRODUCE?? by Sen. Rodey No objections for Committee introduction.
	373	RES	Summary / Utility Revolving Loan Fund / by Sen. Sturgulewski. No objections to Comm. introduction
	405	SB 546	Capitol Foundation Program
	536		Marge Gorsuch, AA Hs. C/RA
	449		Jim Rhodes, AA Rep. Malone / Formula Summary
SIDE 2 ---------	159		Sen. Kelly objects to formula base
	221		Meeting adjourned.

No Action Taken

Arliss

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
(907) 465-3712

March 21, 1980

will send

TO: Billy Berrier, Director
Legal Services

FROM: Arliss Sturgulewski
Senator, District 10-H

RE: DRAFTING REQUEST

I would appreciate having a bill drafted which would update SB 116 introduced by Senator Rader in 1975. The updates which I feel are necessary deal with certain technical issues, for example, interest rates, and updating to include a class of utility needs not specifically identified in SB 116.

Page 1, l. 22 , delete "the curtailment . . .gencies(line 23) and substitute: "delays experienced in obtaining low cost federal loans."
Page 2, l.9 delete "eight" and insert "the current borrowing rate by the state"
l.10 delete "per cent a year"
page 2, after line 13 and before the section identified on line 14 as (2) insert a new section (2) to read: " make loans to public utilities to meet short term or interim capital needs prior to receipt by the public utility of federal loan funds;"
Page 2, line 14 readjust numbering 2-5 becomes 3-6.
Page 5, line 21, change effective date.

I have attached a copy of SB 116 for your convenience.

Introduced: 1/31/75
Referred: Commerce and Finance

IN THE SENATE BY RADER

SENATE BILL NO. 116

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act creating the public utility revolving loan fund; and providing for an effective date."

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

* Section 1. AS 42 is amended by adding a new chapter to read:

CHAPTER 08. PUBLIC UTILITY REVOLVING LOAN FUND.

Sec. 42.08.010. DECLARATION OF POLICY AND PURPOSE. The legislature finds that

(1) the availability of adequate public utility services and facilities at reasonable rates in this state is a proper matter of public concern;

(2) the ability of privately, municipally and cooperatively owned public utilities in the state to finance service to the public and capital improvement requirements to extend and improve those services on reasonable terms and conditions that will enable utility service rates to remain at reasonable levels in the foreseeable future is seriously impaired by the unavailability of low-cost private financing and the curtailment of low-cost loans available from federal agencies;

(3) as a matter of public policy, to ensure the sound development of the state and its resources and to provide an acceptable level of utility services to its residents at reasonable rates, the state should assist these public utilities in acquiring the funds that are essential to operate and maintain and expand utility facilities and services.

Sec. 42.08.020. REVOLVING LOAN FUND CREATED. There is created in the Department of Commerce the public utility revolving loan fund.

Sec. 42.08.030. POWERS AND DUTIES OF THE DEPARTMENT. (a) The department shall formulate general polices and procedures to implement the provisions of this chapter and promulgate regulations in consultation with the Alaska Public Utilities Commission.

(b) The department may

(1) if other credit is not readily available from private lending institutions at a rate of interest that does not exceed ~~eight per cent a year~~ the current borrowing rate by the State, for the term required, make loans to public utilities to finance or refinance capital improvements, plant and facilities, and to improve and expand services, subject to the provisions of this chapter;

(2) consult with appropriate federal agencies and other lending institutions which make loans to public utilities in the state concerning policies, regulations and procedures to carry out the provisions of this chapter;

(3) designate agents and delegate powers to them as is necessary;

(4) require bonds and undertakings from persons employed by it as in the commissioner's judgment are necessary, and pay the premiums on them;

(5) establish amortization plans as provided in sec. 50 of this chapter.

Sec. 42.08.040. ELIGIBILITY FOR LOANS. A public utility is eligible for a loan under this chapter if

(1) it is a public utility as defined in AS 42.05.701(2)(A) through (E);

(2) it is serving the public under a certificate of public

convenience and necessity issued by the Alaska Public Utilities Commission at the time of application for a loan;

(3) in the judgment of the department

(A) the public utility shows a definite potential for providing improved or expanded service in the community or service area it serves or otherwise requires the financing to maintain adequate, efficient and safe service; and

(B) the utility will be able to repay the loan.

Sec. 42.08.050. CONDITIONS AND LIMITATIONS ON LOANS. (a) A loan to a public utility under this chapter may not exceed $1,000,000.

(b) The loan shall be on terms and conditions the department determines appropriate and if secured by collateral may not exceed 75 per cent of the value of the collateral offered.

(c) Amortization plans for the repayment of loans made under this chapter may not exceed 30 years. The rate of interest may not exceed eight per cent a year on the unpaid balance.

(d) Unless a loan made under this chapter is participated in by a financial institution as provided in (e) of this section, it may not be made until an investigation and an economic feasibility study is conducted and, as a result of the investigation and study, the department determines that the loan is economically sound and that the utility will be financially self-sustaining and the loan will be fully amortized within and in accordance with the terms and conditions of the loan. The economic feasibility study shall be conducted by the department staff or by consultants, engineers or other technical experts approved by the department. To facilitate its determination of economic feasibility and the ability of the utility to be fully and financially self-sustaining and to amortize the loan, the department shall require the applicant for a loan under this chapter to furnish

those systems studies, long-range economic forecasts, financial data, and technical information that the department considers necessary.

(e) If a loan under this chapter is participated in by a financial institution in an amount not less than 20 per cent of the total amount of the loan, the department may accept the investigation and study made or accepted by the institution as a basis for its participation.

(f) If a financial institution participates in a loan made under this chapter, it may elect to administer and service the loan for a reasonable fee not exceeding one-half of one per cent.

(g) The state and the participating institution shall each have a lien or share the collateral to the extent of their respective portions of the total loan.

Sec. 42.08.060. ADMINISTRATION. Money loaned shall be delivered to the borrower in the form of a warrant drawn on the treasury, vouchered in the manner prescribed for state disbursing officers, and charged against the public utility revolving loan fund. Each voucher shall be approved by the commissioner of commerce or a bonded deputy authorized by him to act as a certifying officer. Upon repayment of loans by installments or otherwise, in accordance with the prescribed terms, or upon liquidation by foreclosure or other process, or upon receipt of interest or other revenue, the money so received shall be turned over to the commissioner of revenue for deposit in the public utility revolving loan fund.

Sec. 42.08.070. SALE OR TRANSFER OF NOTES, MORTGAGES AND OTHER COLLATERAL. (a) The commissioner of commerce may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the notes, mortgages and other collateral held by the Department of Commerce as security for

loans made under this chapter.

(b) The commissioner of commerce may sell or transfer at par value to the Department of Revenue the notes, mortgages and other collateral held by the Department of Commerce as security for loans made under this chapter. The Department of Revenue shall purchase all of the notes, mortgages and other collateral so offered, allowing the Department of Commerce a one-half of one per cent service fee.

Sec. 42.08.080. GUARANTEES OF LOANS BY OTHERS AUTHORIZED. The commissioner of commerce may enter into agreements with other state departments and agencies, private banks, other lending institutions, and individuals for the purpose of guaranteeing loans made to qualified public utilities. The guarantees may not exceed 90 per cent of the amount loaned and the loans shall be secured in the same manner as provided for direct loans under this chapter. A loan made under this chapter and guaranteed by the commissioner of commerce and the state shall bear an interest rate not exceeding eight per cent a year on the unpaid balance.

Sec. 42.08.090. PROCEEDINGS AND REGULATIONS. The Administrative Procedure Act (AS 44.62) governs all proceedings, and the promulgation of regulations, under this chapter.

* Sec. 2. This Act takes effect on July 1, 1975.

SR24

Committee Log Book - 1980

Tape Number XXIX

SENATE C/RA // Chrmn Sturgulewski
Committee

Side Number 1 & 2

Dates 5/13/80 to ----

PRESENT: All members (Rodey late)
Senators Rodey, Stimson, Mulcahy, & Kelly

Bill Numbers Discussed

CSHB 932	SB 546	NEW RES.							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/13/80 1:30	005	CSHB 932	Chrmn Sturgulewski/ cancelled hearing CSHB 932
	048	RES	" "/ introduces new resolution "White House Conference on Families
	079		Sen. Kelly objects
	085		Sen. Mulcahy has no objection to committee introduction, but might not favor concept.
	089		Sen. Stimson supports introduction
	097		Chrmn Sturgulewski will have introduced by the Committee by request.
	120	SB 546	Chrmn Sturgulewski
	156		Lee Sharp, City/Borough Attorney of Juneau "CS"
	250		Dennis Dooley, DOT-PF / few Adminis. concerns
			Jim Rhodes, AA to Rep. Malone // formula outline
	540		Sen. Kelly asks Rep. Malone's position.
	632		Sen. Rodey
	636		Margo Waring, AA to Chrmn. Sturgulewski
	729		Chrmn Sturgulewski/ impact on areas forming reg'l government?
	748		Sen. Kelly / Various questions
	812		Jim Rhodes
	850		Sen. Rodey moved to pass w/ individ. rec. Chrman. Sturgulewski to pass/ Sen. Kelly objects

1st Part of TAPE did not take.

SIDE 2 / 14 MEETING ADJOURNED..

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 12, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, May 13, 1980 - 1:30 p.m.

SB 546 - State aid for local capital projects/ Establishing Capital Foundation Fund

CSHB 932 - An act creating the office of rural development, and the Rural Development Council; and providing for an effective date.

Senate Resolution for introduction - Relating to participation by the state in the White House Conference on Families.

League of Women Voters of Alaska

May 8, 1980

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A,
Juneau, Alaska 99811

Dear Governor Hammond:

The League of Women Voters of Alaska supports continued State participation in the White House Conference on Families.

The League worked closely with state and local community organizers throughout the entire process from planning community hearings to acting as recorders and facilitators. You are to be commended for carrying out the process in such an open manner. The entire process of choosing delegates was well done.

The League is appalled that you would consider abandoning the White House Conference on the Family and negating the grass root effort and commitment of Alaskans that went into choosing delegates and identifying issues impacting families in Alaska today.

The citizens of this state participated in the local hearings and state conference in good faith that they and Alaska's ideas would become part of the national dialogue on families. It is your responsibility to support this citizen/state effort and continue with the state participation in the conference.

The family is the most important basic unit in our society, and one which is strongly impacted by the more traditional political issues of economics. To consider withdrawing Alaska from dialogue on the family simply because more traditional issues are already consuming your time and energy is untenable. Non-participation is not the answer to controversy.

The League of Women Voters of Alaska urges you to keep faith with the citizens of Alaska who support the ideals of this conference and wish to continue the State's participation in the White House Conference on Families.

Sincerely,

Jean Stassel

Jean Stassel
President
LWV

Susan R. Clark
1109 C Street
Juneau, Alaska 99801

Governor Jay Hammond
State of Alaska
Juneau, Alaska 99811

9 May 1980

Dear Governor Hammond,

I am disappointed and perplexed that you have proposed Alaska's withdrawl from the national White House Conference on Families. I am concerned that delegates to the State Conference and alternates to the National Conference were not informed of this serious proposal by a letter from you, and many may still be unaware if their local newspapers or media did not pick up on the story.

Speaking for Juneau's involvement, a large spectrum of people gave oral or written testimony or support to the local hearings. Some spent a great deal of time and thought on their presentation with the idea that their contributions would matter. They did. Juneau came up with a position paper which contained both "liberal" and "conservative" concerns, and the three elected delegates were bound by that paper in their actions at the State Conference.

Although some groups would claim that only their families are legitimate ones, I do not feel that most Alaskans believe that families, the basic nurturing unit of our society, can be stereotyped. In fact, nationwide figures show that an employed father, a housewife mother, and children (any number) is only 15% of our nations families. In Alaska where there is a higher than average incidence of employed women, this percentage is even lower.

Nor do I feel that the scare issues of ERA, abortion and gay rights are a significant part of the Conference outcome. None were targeted as major issue areas by any panel, and the latter two were mentioned only by the first panel and in a conservative context. The ERA is simply a fact of Alaskan life and law since our own state ERA was passed eight years ago. The conference was at times frustrating to people of all persuasions, but it was on the whole a democratic process, and the concluding document is a democratic document. It cannot fail, therefore, to contain things with which we may not all agree, but to censor or alter it in any way now would cause even more distrust of government.

Special attention was given at the Conference to the needs and concerns of our native peoples. Rosita Worl and Mary Jane Fate were excellent and informative keynote speakers there. Alaska's Native and rural people have unique family concerns which will not be heard at the national level if we are to withdraw.

Please reconsider your proposal.

Sincerely yours,

Susan R. Clark

Susan R. Clark, alternate delegate to
the National Conference

P.O. Box 249
Douglas, Alaska 99824
May 13, 1980

Governor Jay Hammond
Members of the Alaska State Legislature
Juneau, Alaska

Dear Governor Hammond, and House and Senate members:

I've been informed that Alaska's participation in the White House conference on Families is in question.

I would strongly urge you to support Alaska's participation in that conference for two reasons:

1. You as lawmakers know that your decisions have an impact on the living patterns and institutions of society. Legislation at all levels--federal, state, and municipal--cannot fail to have impact on families.. In a sense it is not possible to "do nothing," because the consequences of governmental policy reach deeply into society already. The only issue is whether we will face problems squarely.

2. The document prepared by Alaskans comprises the opinions of a wide spectrum of people, containing both liberal and conservative viewpoints. The delegates selected also are representative of nearly all viewpoints and should effectively represent the diversity of opinions within our state.

I hope you will sustain the confidence of people in our state's democratic processes and support our participation in the upcoming conference.

Sincerely,

John Jensen

John Jensen
Assemblyman/City and Borough of Juneau

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN

177 Behrends Avenue
Juneau, Alaska 99801
May 10, 1980

Governor Jay Hammond
State of Alaska
Juneau, Alaska 99801

Dear Governor Hammond,

The Juneau Douglas Branch of the American Association of University Women met today and discussed your recent letter relating to the White House Conference on Families. The members voted unanimously to support Alaska's participation in the National Conference.

Our membership feels that Alaska's unique concerns will not be heard by the nation, if we are not present. Whatever action is taken at the National Conference, Alaska must be there to lend its voice to the proceedings.

Sincerely,

Barbara Potter

Barbara Potter
President A.A.U.W.

P.O. Box 249
Douglas, Alaska 99824
May 13, 1980

Governor Jay Hammond
Members of the Alaska State Legislature
Juneau, Alaska

Dear Governor Hammond, and House and Senate members:

I've been informed that Alaska's participation in the White House conference on Families is in question.

I would strongly urge you to support Alaska's participation in that conference for two reasons:

1. You as lawmakers know that your decisions have an impact on the living patterns and institutions of society. Legislation at all levels--federal, state, and municipal--cannot fail to have impact on families.. In a sense it is not possible to "do nothing," because the consequences of governmental policy reach deeply into society already. The only issue is whether we will face problems squarely.

2. The document prepared by Alaskans comprises the opinions of a wide spectrum of people, containing both liberal and conservative viewpoints. The delegates selected also are representative of nearly all viewpoints and should effectively represent the diversity of opinions within our state.

I hope you will sustain the confidence of people in our state's democratic processes and support our participation in the upcoming conference.

Sincerely,

John Jensen

John Jensen
Assemblyman/City and Borough of Juneau

May 18, 1982

Dear Governor Hammond

The Juneau Unitarian Fellowship participated in the White House Conference on Families by submitting testimony at the local hearing in Juneau.

We unanimously agreed at our meeting this morning that Alaska should participate in the National Conference.

Sincerely

Cealy Cunningham
Co Chairperson
Box 458
Douglas Ak 99824

RESOLUTION

Whereas the Alaska Home Economics Association and the Future Homemakers of America have supported the National White House Conference on Families for the past year in our programs, and

Whereas this program has aroused deep issues as well as needs throughout our country, and

Since the Alaska Home Economics Association is a force for families,

Therefore, be it resolved that the Alaska Home Economics Association will support the State of Alaska's continued participation in the White House Conference on Families to insure the Alaska perspective will be communicated.

Marjorie Schmiege
President Alaska
Home Economics, Assn.
Advisor Future
Homemakers of America
1800 Evergreen Ave.
Juneau 99801

SKAGWAY

ANNEX.

LOCAL BOUND.

RECOMM.

Committee Log Book - 1980

Tape Number XIII
cassettes (1) and (2)
Side Number (1) " (2)

Senate C/RA
Committee

Senators Present: Chairman Sturgulewski, Stimson Dates 2-29-80 to ____

Bill Numbers Discussed

Skagway Annexation									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-29-80 8:30 A.M.			Sig Strandberg
			C.B. Bettisworth
			Marvin Taylor
			Skip Elliott
			Barbara Kalen
			Sig Strandberg
			Marvin Taylor
			Skip Elliott
10 A.M.			Mtg. adjourned
			No Action taken
			(which thereby lets local Boundary
			Recommendations go into effect

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting/Hearing on _____ Date: _____

	Name	Address and Phone	Organization/Self	For/Against or Observing
1/	MARVIN P. TAYLOR	Phone 983-2500, 2501 BOX 436, SILAKBURG, ALASKA	City of Silakburg	For Annotation
2/	PAT POLAND	225 Cordova Anch	C.I.R.A/LBC	Observing
3/	MIC CAMPBELL	Dept of Comm. + Reg. Affairs LGAD POUCH B JUNEAU, Ak. 99811	D.C.R.A/LGAD	Observing
4/	Marie Pignalberi	~~Dept~~ Pouch B Jno 99811	C+RA	Observing
5/	Palmer McCarthy	"	"	"
6/	Barbara K. Klein	3-4-317 Skagway 983-2376	citizen of Skagway	against
7/	Skip Elliott	Box 143 Skagway (Dyea)	Dyea residents	against
8/	Jo Anderson	204 Ocean View Dr. Wrangell	LBC	for ✓
9/	Virginia Stranahan	7235 Blackberry St Anc Ak 99502	LBC	for ✓
10/	CHRISTENSEN	POB 80180 FHS AK	LBC	for ✓
11/				
12/				
13/				

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 18, 1980

TO: SENATOR BOB MULCAHY
VICE-CHAIRMAN
SENATOR TIM KELLY
SENATOR PAT RODEY
SENATOR TERRY STIMSON
All interested parties

FROM: SENATOR ARLISS STURGULEWSKI
CHAIRMAN

SUBJECT: JOINT C/RA MEETING - HOUSE HESS RM. #112, Capitol Building

FRIDAY, FEBRUARY 29, 1980 - 8:00-10:00 a.m.

SKAGWAY ANNEXATION - Local Boundary Recommendations

CITY OF SKAGWAY

P. O. BOX 415
SKAGWAY, ALASKA 99840

Subject Annexation - Public Hearing

TO Twyla Hartsock
Senate CRA Committee
Pouch V
Juneau, Alaska 99811

Message [illegible] was [illegible] of names but no's. (otherwise just [illegible] Skagway) these people spoke for or against annexation at the LBC meeting here.

Lillian Litzenberger - Skagway
Edith Lee - "
Chris Rohlf - "
Michael Geyer - "

SIGNED [signature] DATE 2/12/80

Reply DATE / /

Marvin Taylor - Skagway
Gene Strong - "
Oscar Selmer - "
Gene Richards, PO Box 8324 Ketchikan
Mike Caffrey - Skagway
Barbara Kalen - "
John McDermott - "
White Pass & Yukon Route - Skagway
Rick Burrough - "
Lorna McDermott - "
Beryl Hosford - "
Leonard Sivertsen - "
James Matthews - "
Willard (Skip) Elliott - "

Send city, will some notices + will post them for you.

SIGNED

Rediform 45467

SEND PARTS 1 AND 3 WITH CARBON INTACT — PART 2 WILL BE RETURNED WITH REPLY

Poly Pak 150 sets 4P467
Poly Pak 150 sets - 50 Envelopes 4E467

Enclosed is a Public Hearing Notice on the Skagway Annexation Local Boundary recommendations to be held February 29, 1980 by the Joint Senate and House Community and Regional Affairs Committee.

Comments in person, by phone, or in written form will be welcomed. A listing of committee members is also enclosed in the event you desire to contact members directly.

LEGISLATIVE STANDING COMMITTEES

ELEVENTH LEGISLATURE - SECOND SESSION

1980 - 1981

HOUSE

COMMERCE

Brown (Chairman)
Munson (Vice-Chairman)
Malone, Osterback,
Bettisworth, Halford, Randolph

COMMUNITY & REGIONAL AFFAIRS

Parker (Chairman)
Carney (Vice-Chairman)
Parr, Zharoff,
Branson, Metcalfe, O'Connell

FINANCE

Meekins (Chairman)
Freeman (Vice-Chairman)
Duncan, Guy, McKinnon, Moss, Rogers
Smith, Schaeffer,
Haugen, Montgomery

HEALTH, EDUCATION & SOCIAL SERVICES

Buchholdt (Chairman)
Munson (Vice-Chairman)
Hurlbert, Miles, Barnes,
Beirne, Chatterton

JUDICIARY

Parr (Chairman)
Anderson (Vice-Chairman)
Brown, Buchholdt, Malone,
Barnes, Martin, O'Connell, Phillips

LABOR AND MANAGEMENT

Hurlbert (Chairman)
Rogers (Vice-Chairman)
McKinnon, Miller
Bettisworth, Branson, Hayes

RESOURCES

Osterback (Co-Chairman)
Miles (Co-Chairman)
Zharoff (Vice-Chairman)
Carney, Cotten, Fuller,
Chatterton, Ellason, Halford

RULES

Cotten (Chairman)
Brown (Vice-Chairman)
Anderson, Miller, Parr,
Hayes, Phillips

STATE AFFAIRS

Miller (Chairman)
Fuller (Vice-Chairman)
Gardiner, Parker,
Ellason, Martin, Metcalfe

SENATE

COMMERCE

W. Bradley (Chairman)
Sturgulewski (Vice-Chairman)
Kelly, Ferguson, Stimson

COMMUNITY & REGIONAL AFFAIRS

Sturgulewski (Chairman)
Mulcahy (Vice-Chairman)
Kelly, Rodey, Stimson

FINANCE

Sackett (Chairman)
Bennett, Dankworth, Hackney,
Sumner, Hohman, Ray

HEALTH, EDUCATION & SOCIAL SERVICES

Hackney, (Chairman)
Ferguson (Vice-Chairman)
Colletta, Sturgulewski,
Fahrenkamp

JUDICIARY

Ziegler (Chairman)
Dankworth (Vice-Chairman)
Bennett, Meland, Ray

LABOR AND MANAGEMENT

Ferguson (Chairman)
Ray (Vice-Chairman)
Bradley, Colletta, Kerttula

RESOURCES

Sumner (Chairman)
Dankworth (Vice-Chairman)
Bennett, Mulcahy,
Fahrenkamp, Kerttula,
Meland

RULES

Colletta (Chairman)
Ziegler (Vice-Chairman)
Sumner, Tillion, Hohman

STATE AFFAIRS

Mulcahy (Chairman)
Kelly (Vice-Chairman)
Bradley, Rodey, Ziegler

February 29, 1980

FOR THE RECORD

At 8 A.M. this date, a Jt. C/RA Hearing was held on the Skagway Annexation Local Boundary Commission Recommendation. Testimony was heard both for and against. At 10 a.m. the meeting adjourned.

Since the Jt. C/RA Committee did not take any definite action, the Local Boundary Commission's recommendations will go into effect (as stated in the cover memorandum letter to the Legislature from the Department of Community and Regional Affairs, dated January 18, 1980). Although the Committee realized the 45 day deadline, and this being the 43rd day, it was recognized that there was still time to submit negative resolutions and pass them within the deadline time period; however both co-chairmen (Senator Arliss Sturgulewski and Representative Bill Parker) decided to let the case stand as is; thereby letting the recommendations go into effect.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

January 21, 1980

MEMORANDUM TO: Community and Regional Affairs Committee

From: Secretary of the Senate

Subject: Recommendation of the Local Boundary Commission concerning annexation of territory to the City of Skagway

The President referred the Local Boundary Commission report to the Community and Regional Affairs Committee for review.

Encl: Recommendations of the Local Boundary Commission submitted to the Eleventh State Legislature Second Session Assembled, January 18, 1980

C&RA

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 18, 1980

The Honorable Clem V. Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Sen[illegible]illion:

In accordance with the provision of Article X, Section 12 of the Alaska Constitution and Alaska Statutes 44.19.260, presented herewith is a recommendation of the Local Boundary Commission concerning annexation of territory to the City of Skagway.

The recommendation will become effective forty-five days after this presentation or at the end of the legislative session, which ever is earlier, unless disapproved by resolution concurred in by a majority of the members of each house.

Sincerely,

Lee

Lee McAnerney
Commissioner

Enclosure

21-P2LH

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION SUBMITTED TO THE ELEVENTH STATE LEGISLATURE SECOND SESSION ASSEMBLED

SUBMITTED JANUARY 18, 1980

Recommendation for Annexation of Territory

to the

City of Skagway

WHEREAS, petitioner, the City of Skagway has requested that certain territory be annexed to the City of Skagway; to wit: the entire area contiguous to the City between the Haines Borough and the Canadian border containing residential and recreational lands; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Skagway on November 17, 1979, to consider whether the territory for which the City of Skagway petitioned should be annexed to the City; and

WHEREAS, following the public hearing the Local Boundary Commission convened a decisional meeting at which it reviewed the City of Skagway's petition, supporting brief and all testimony received prior to and during the November 17, 1979, public hearing; and

WHEREAS, the Local Boundary Commission has determined that the proposed area met the standards for annexation in that the area is likely to see development that will require municipal services; and

WHEREAS, the City of Skagway is the only local government located proximate to the territory which has the capability of providing the needed services;

NOW THEREFORE, the Local Boundary Commission recommends that pursuant to to Article X, Section 12 of the Alaska Constitution and Alaska Statutes 44.19.260 that the petition for annexation of territory to the City of Skagway be approved and that the boundaries of the City of Skagway be changed to read as follows:

City of Skagway. Beginning at Mt. Bagot at Lat. 59° 21' N and Long. 135° 2' W. Thence due West on a straight line to a point in the center of Lynn Canal on Taiya Inlet at approximately Lat. 59° 21' N and Long. 135° 22'.5" W. Thence northwesterly to Monument No. 124 on the Alaska-Canada Boundary at Lat. 59° 44' N and Long. 135° 43' W. Thence northeasterly along the Alaska-Canada Boundary to Mt. Foster. Thence southeasterly along the Alaska-Canada Boundary to the point of beginning.

In accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

Report to the Local Boundary Commission on the proposal to Annex territory to the City of Skagway

November 14, 1979

Department of Community and Regional Affairs

On July 27, 1979, the Department of Community and Regional Affairs received a petition proposing annexation of some 431.35 square miles of territory to the City of Skagway. Review of the petition indicated that it was in the proper form and did contain all the necessary information. A letter stating acceptance of the petition was sent to L.B. Jacobson, petitioners representative, on July 30.

Notice of the Commission's forthcoming hearing was mailed to petitioners' representative on October 23 and was posted in three public places and televised over the Skagway Network Television during the period of October 29 through November 16.

II. PETITION

The petition, for all intents and purposes, is the same petition the Commission considered in November of 1976. Admittedly, it is a larger geographic area, but the vast majority of additional territory is mountainous, not suitable for development and, according to petitioners representative, is included so that the entirety of the region could be within the confines of one local government. Because the issues are the same as in 1976 and because the Commission's Statement of Decision entered in that proceeding (copy attached) does not indicate a basis for the deletion of

territory from the annexation proposal, the Department's recommendation is, literally, the same as it was in the prior proceeding.

III. RECOMMENDATIONS

Normally, our reports attempt to analyze an annexation proposal, note the positive and negative aspects of the proposal and make recommendations pursuant thereto. However, we have chosen to take a different approach this time; petitioners' arguments are clear and the information provided is detailed and accurate. We feel no need to expand or comment on petitioners' arguments - the decision is the Commission's.

However, we feel a broader question has been ignored; that question is "what size should a city be?" In our opinion all of petitioners' arguments are, to lessor or greater degrees valid, but at what point does a city become an innappropriate service mechanism. We are not suggesting that we have the answer, only that the question needs to be asked. Specifically, we recommend that petitioners be questioned as to how the city will provide services to such an enormous area.

1/25/80 check w/ mayor as to type of hearing.

check w/ Palmer for background

Hearing date not set

Skagway Mayor
Robert Messegee
983-2297
983-2298.

D yea —
Skip Elliott

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION SUBMITTED TO THE ELEVENTH STATE LEGISLATURE SECOND SESSION ASSEMBLED

SUBMITTED JANUARY 18, 1980

Recommendation for Annexation of Territory

to the

City of Skagway

WHEREAS, petitioner, the City of Skagway has requested that certain territory be annexed to the City of Skagway; to wit: the entire area contiguous to the City between the Haines Borough and the Canadian border containing residential and recreational lands; and

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WHEREAS, the Local Boundary Commission has determined that the proposed area met the standards for annexation in that the area is likely to see development that will require municipal services; and

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In accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

Alaska State Legislature

Senate

Office of the Secretary

Official Business

January 21, 1980

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

From: Secretary of the Senate

Subject: Recommendation of the Local Boundary Commission concerning annexation of territory to the City of Skagway

The President referred the Local Boundary Commission report to the Community and Regional Affairs Committee for review.

Encl: Recommendations of the Local Boundary Commission submitted to the Eleventh State Legislature Second Session Assembled, January 18, 1980

1/23/80 Sent 2/5

① Ref to Rules & Mange Gipson & recommendation re. B.H. & location

② Trial for action - If appd, what action to be taken. If not approved, what action to be taken

C&RA

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 18, 1980

The Honorable Clem V. Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

In accordance with the provision of Article X, Section 12 of the Alaska Constitution and Alaska Statutes 44.19.260, presented herewith is a recommendation of the Local Boundary Commission concerning annexation of territory to the City of Skagway.

The recommendation will become effective forty-five days after this presentation or at the end of the legislative session, which ever is earlier, unless disapproved by resolution concurred in by a majority of the members of each house.

Sincerely,

Lee

Lee McAnerney
Commissioner

Enclosure

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

February 19, 1980

Honorable Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee
Pouch B
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Thank you for your letter of February 4, 1980 concerning the joint Committee hearing of 29 February on the City of Skagway annexation petition.

The City will be represented by Mr. Marvin P. Taylor, City Councilman and Vice Mayor.

Sincerely,

Robert F. Messegee
Mayor

We faxed the paper to advertise meeting & have spread the news locally

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

November 19, 1979

Senator Arliss Sturgulewski
Chairman, Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Following a public hearing on 17 November the Local Boundary commission reached a decision to approve the City of Skagway's annexation petition. The petition along with the L.B.C. recommendation for approval will be introduced within the first ten days of the next legislative session and, unless disapproved or modified by the Legislature within forty five days, the territory comprising the unorganized Borough boundary contiguous to the present municipal boundaries will be annexed to the City of Skagway.

Copies of the City's petition with the supporting ordinance and ballot proposition are enclosed. I join with the City Council in requesting that the City's petition may receive favorable consideration by your committee.

Sincerely,

Robert F. Messegee
Mayor

Enclosures

cp

CITY OF SKAGWAY
RESOLUTION NO. 79-11R

A RESOLUTION TO PLACE ON THE BALLOT AT THE GENERAL ELECTION OF OCTOBER 2, 1979 A PROPOSITION CONCERNED WITH EXTENSION OF THE MUNICIPAL BOUNDARIES OF THE CITY OF SKAGWAY BY ANNEXATION.

WHEREAS: Under the State of Alaska municipal land selection program the City of Skagway is entitled to select five hundred acres of vacant, unappropriated and unreserved State land lying within the municipal boundaries of the City and,

WHEREAS: There are not five hundred acres of State land suitable for selection within the present municipal boundaries and,

WHEREAS: Accordingly, with the concurrence of the State Division of Lands the City has nominated certain lands external to the boundaries which will become available for selection when encompassed by the City's boundaries and,

WHEREAS: There is very little remaining developable land within the present boundaries and, therefore, it is foreseen that there will be considerable residential and industrial development as well as growth in population in areas outlying the present City limits and,

WHEREAS: The availability of these lands for development will be enhanced through their inclusion within the City's boundaries and,

WHEREAS: The residents of these areas, both present and future, will enjoy the City's municipal services and will expect these services to be extended as becomes practicable and,

WHEREAS: Developments within these areas, if they are within the City, will increase the City's capacity to expand and increase the level of public services and,

WHEREAS: Under the provisions of State Statutes taxation of properties within newly annexed territory must be equitable and based on the levels of municipal services provided - a policy which the City Council endorses and pledges to follow and,

WHEREAS: It is in the common interest that all citizens residing in the Community of Skagway and who receive the benefits of public services share in the responsibilities of governance as well the opportunities to participate fully in the decision making processes which determine the levels of service provided and,

WHEREAS: The Legislature has set the deadline for municipal land selection as October 1, 1980 and,

WHEREAS: In order that the City may select its full entitlement of five hundred acres, the lands nominated for selection must be annexed prior to that date and,

WHEREAS: To this end, the City Council by ordinance approved the submission of an annexation petition and,

WHEREAS: To facilitate and effect economics in the annexation process by the use of surveyed boundaries, the City has petitioned to annex all of the areas contiguous to the City encompassed on the South and West by the Haines Borough boundary and on the North and East by the United States-Canadian boundary and,

WHEREAS: The City Council also is well aware that this matter is of great concern to the citizens of Skagway and that the effects of its outcome upon the entire community will be longstanding and,

WHEREAS: An expression by the citizens of Skagway of appreciation and of support or opposition to the proposed annexation would be of value to the Local Boundary Commission and the State Legislature in reaching a decision on the City's petition.

NOW THEREFORE BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF SKAGWAY:

That the following proposition shall be presented to the qualified voters of the City of Skagway at the General Election of October 2, 1979:

DO YOU FAVOR APPROVAL OF THE CITY'S PETITION TO ANNEX ALL OF THE CONTIGUOUS LANDS OF THE UNINCORPORATED BOROUGH ENCOMPASSED BY THE HAINES BOROUGH BOUNDARY ON THE SOUTH AND WEST AND BY THE UNITED STATES-CANADIAN BOUNDARY ON THE NORTH AND EAST?

YES_____ NO_____

ADOPTED THIS 6TH DAY OF SEPTEMBER 1979: _____
Mayor

ATTEST: _____

SAMPLE BALLOT

GENERAL ELECTION

CITY OF SKAGWAY

OCTOBER 2, 1979

You may vote for one Mayor for a two year term, one Councilmember for a two year term, two Councilmembers for a three year term, one School Board member for a one year term, and two School Board members for a three year term. Mark an "X" in the square next to the name you wish to vote for.

You may vote for any qualified elector of the City instead of a person nominated for any position by writing the name of the elector in the space provided below the names of the nominees for such office. Mark an "X" next to the name you write in.

VOTE FOR ONE — SCHOOL BOARD MEMBER — ONE YEAR TERM

- ☐ MILDRED MERONEY
- ☐ BOYD WORLEY
- ☐ _____

VOTE FOR TWO — SCHOOL BOARD MEMBERS — THREE YEAR TERM

- ☐ CARL E. MOSER
- ☐ LESLIE FAIRBANKS
- ☐ _____
- ☐ _____

PROPOSITION #1

DO YOU FAVOR APPROVAL OF THE CITY'S PETITION TO ANNEX ALL OF THE CONTIGUOUS LANDS OF THE UNINCORPORATED BOROUGH ENCOMPASSED BY THE HAINES BOROUGH BOUNDARY ON THE SOUTH AND WEST AND BY THE UNITED STATES-CANADIAN BOUNDARY ON THE NORTH AND EAST?

YES ☐ 169

NO ☐ 96

I certify the above to be correct

Lorene S. Gordon

Lorene S. Gordon, City Clerk

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

In the Matter of Annexation)
by the City of Skagway, Alaska)
_____) PETITIONER'S BRIEF

I. In General. The City of Skagway, Alaska is a first class city organized and existing under the laws of the State of Alaska. It is Alaska's oldest city originally incorporated under territorial law as a municipality in 1900. The City of Skagway's original municipal boundaries, established in a 1900 election to incorporate, encompassed 931.49 acres more or less, excluding tide and submerged lands. The municipal boundaries were expanded through annexation in 1978 to encompass 11 square miles. According to the official 1970 census, the population of the City of Skagway was 675; its population for 1 July 1978 revenue sharing purposes as compiled for and approved by the Alaska Department of Community and Regional Affairs was 874.

II. Municipal Services Provided Within the City. The City of Skagway currently provides water, sewer (primary treatment), garbage and solid waste disposal services to its residents. Electrical power is provided by an independent, city-franchised utility regulated by the APUC. The City provides maintenance and repair services for city streets and rights-of-way.

Law enforcement within its jurisdiction is undertaken by a police force consisting of a chief of police and two officers, all on a full-time basis.

Fire protection, rescue and emergency medical services within the city and surrounding environs are undertaken by the Skagway Volunteer Fire Department operated out of the

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City-owned fire hall, a modern facility constructed in 1969. Major equipment employed includes: one 1970 American LaFrance pumper, one 1973 American LaFrance pumper, one 1963 White 1000-gallon tank truck, one 1953 Howe Jeep pumper, one 1974 Dodge ambulance, 1 Kaiser Emergency Medical Rescue vehicle and one 1958 Ford hearse. The City retains and pays a part-time fire chief, two captains and two lieutenants. The Volunteer Fire Department has seventeen regular members in addition to officers, paid a drill allowance of $2,500 plus a special training allowance for fire training school attendance and fees. There are four fire cadets and eight emergency medical personnel. Additionally there are a number of former members of the fire department and civic minded citizens who invariably respond and assist in combating fires.

The City owns and operates a cemetery and charges a flat fee of $325.00 for opening and closing a grave plus the plot.

The City of Skagway by ordinance established a Port Authority which serves in a planning and advisory capacity to the Council respecting port development and regulation of maritime and small craft activities within Skagway Harbor, including the Small Boat Harbor.

The City of Skagway has adopted a complete zoning plan and map to govern the organized growth and development within the municipality, and further, has promulgated standards for subdivision development. These will be expanded to include the annexed territory. A unique aspect of its zoning plan is establishment of a Historic District and restrictive development regulations therein. To prevent

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construction of substandard buildings and dwellings, the City Council has adopted the National Electrical Code, Uniform Building Code, and National Plumbing Code by reference in ordinance form. Also adopted is the fire prevention code promulgated by the American Insurance Association.

The City owns and operates a medical clinic in a rather new building, leasing same to a Haines-based physician commuting to Skagway two days per week to provide health and medical service to residents and the outlying population.

The municipal library is managed as a non-profit activity by a library board appointed by the Mayor. Library operations are financially subsidized by the City. A new public library building is presently under construction with an estimated completion date of early August 1979.

The Skagway Museum is an entirely city-operated entity both in terms of physical plant and personnel. Like the library, the museum is used by the population on an area-wide basis, not limited to residents. Further, the tourists which the museum and Historic District attract inure at least indirectly to the benefit of non-residents living on the periphery of Skagway's boundaries.

Additionally, the City owns the physical plant and facilities of the local school system operated by the Skagway School District through its School Board. The current enrollment for both primary and secondary grades is 200 students, 10 of which reside outside the present municipal boundaries.

III. Extra-territorial Services. The City currently provides extra-territorial fire protection to non-residents

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on a limited and gratuitous basis. The decision of whether to respond to an out-of-town request for fire service lies with the independent discretion of the fire chief who will consider all known and relevant factors giving preference to vigilance and protection within the City. Outside calls are responded to only with the tank truck, jeep pumper and emergency rescue vehicle.

As to law enforcement outside the City, Skagway has no Alaska State Trooper based at the City, but instead relies upon a trooper being sent over from time to time from Haines on an as-needed basis. In essence, the City of Skagway does provide extra-territorial police protection currently; its officers are commissioned by the State to enforce state law and they do respond to calls for assistance outside the Skagway City limits. Approximately 35% of the traffic accidents investigated by the police department during the past 3 1/2 years occured outside the City limits.

The City provides no water or sewer service on an extra-territorial basis. The City operates and maintains the only garbage dump in the vicinity. There is no charge made to persons residing outside the city limits who use the dump facility.

The residents within the territory proposed for annexation naturally use the city-owned and maintained schools, medical clinic, library, museum and all other municipal facilities, including city streets and roadways. The non-residents benefit from the access to and actual utilization of the foregoing municipal facilities but other than through payment of the 3% sales tax do not financially

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contribute to their establishment, maintenance or perpetuation in any manner corresponding with the contributions from local residents.

IV. Imminent Development. The prospective developments advised in Skagway's 1976-7 annexation brief have largely materialized. The Klondike Goldrush Historical Park and Skagway-Carcross Road are fact and the third project, port development, is well along. The city-State joint use barge and ferry terminal off-loading facility is scheduled for completion this October, 1979 at a cost of $3.5 million. The White Pass rail freight dock and dredging project is in the permit process. Accordingly, it can be seen in retrospect that the City's 1976-7 annexation petition forecast the major projects with commendable accuracy.

Additionally, it appears that additional major projects will be imminently undertaken. These prospective developments in and about the City will assuredly affect its growth, level of commercial activity, and invoke desirability for further municipal control respecting external affiars.

1. Additional Port Developments. The City is in receipt of State and EDA grant funding for the concurrent construction of a heavy duty transfer bridge and cargo staging facility. The White Pass & Yukon Route has applications pending approval by the Corps of Engineers for construction of improvements to its water front facilities - e.g. dredging and rehabilitation of the cargo dock, dredging and major alteration of the Ore Terminal wharf. Dredging work in the City's Small Boat Harbor has been completed and the new float system is scheduled for installation in the summer of

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1980.

2. Industrial Developments. It is foreseen that the Natural Gas Pipeline will be constructed along the ALCAN right-of-way within the next several years. President Carter's speeches on July 15 and 16 addressing the nation's energy shortage indicate accelerated construction of the gas pipeline. The Skagway seaport will serve as the through-put point for materials and equipment for construction of a segment of the pipeline approximately 500 miles in length. During the estimated construction period of two to three years, this will entail major improvements to port facilities as well as major increases in longshoring and cargo handling activities in Skagway. Additionally, Skagway is being given serious consideration as the northern terminus for construction of an oil pipeline to Keg River. Northwest Energy - Foothills Ltd. has made application for construction of this project; the environmental impact statements are in process of development and a Presidential decision is expected by January 1980. The engineering and cost estimates contained in the application call for construction over a two-year period by a peak work force of 600 and the expenditure of some 211 million for the U.S. portion in Skagway and for the 14-mile pipeline to the Canadian Border, e.g., additional dredging and construction of a dock to handle a 120,000 dwt tanker every other day, construction of a 4 million barrel capacity tank farm, pump station and pipeline to the Canadian Border.

3. Klondike Gold Rush International Highway. The Skagway-Carcross road was opened for several weeks in September-October 1978 and was thoroughly enjoyed. The road reopened

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in May 1979 and has been heavily traveled subsequently, e.g. for the period 7 May, 1979 to 30 June, 1979, the U.S. Customs Service reports some 12, 198 persons, 6,243 U.S. citizens and 5,955 Canadian and other nationalities, have traveled southbound over the highway. Canadian customs reports some 17,000 persons traveling northbound during the same period. This road is certain to become a major transportation corridor for commerce to interior Alaska and the Yukon Territory. Its importance was originally understated. It will serve as a scenic alternative to the Haines Highway for ferry borne vehicles entering and departing Alaska and will, as well, attract traffic traveling the Alcan Highway. The last session of the State Legislature appropriated some $564,000.00 for the procurement of maintenance equipment and employment of additional highway maintenance personnel in order to keep the road open year-around. It is anticipated that the Canadian Government will follow suit. For example, the Federal Government of Canada has appropriated $3 million for further construction and improvements and it is expected a portion of this funding will be applied to winter maintenance.

The establishment of the National Park and the opening of the highway already have resulted in increased tourism as well as changes in the nature of visitors, specifically, more younger families with children; more backpackers and hikers and more recreational and camping vehicles as opposed to retired couples traveling by cruise ships. The impacts of the Park and Highway are already being felt in Skagway. There is a lack of campgrounds and accomodations for recreational vehicles, resulting in traffic congestion and tight parking

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in and close by the Historic District. Additional campgrounds and tourist support facilities are required, and, due to the limited developable land within the City limits, these will have to be located in the area proposed for annexation to the north of the City and along the Dyea road and in the Dyea valley. To prevent haphazard development with attendant adverse impact on the natural environment, creation of dangers to public health and safety, it is essential that the City exercise zoning and platting authority.

Impacts of change deserve comment. As noted above, the distinct impacts of the Park and Highway are already present. If either of the pipeline projects materialize, singly or in combination, the City will be severely impacted. The City will be faced with almost overwhelming demands for housing accomodations and for municipal services, most obviously, public safety, education and utility.

In order to meet and to reduce or ameliorate the adverse aspects of these foreseen changes the City must plan and prepare. The time is now. The City is doing this. The City's OEDP Committee has spent a great deal of time recently in updating the City's Overall Economic Development Plan. This report emphasizes the need for annexation.

Additionally, the City has received a planning grant under the Coastal Energy Impact Program. This planning effort will include the development of a District Coastal Management Plan, an Energy Impact Plan and also a comprehensive plan, a capital improvement plan and a financial management plan. Work on this plan will be initiated this summer with a completion date of May 1980.

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V. Why the Boundaries Proposed? The municipal boundaries of Skagway remained unchanged for 75 years. Until the last several years, growth in and around the City has not warranted extension of the municipal boundaries on the basis of need for provision of municipal services when viewed in the light of costs and services benefit to residents both within and outside the municipal boundaries. In 1976 it became apparent to the City Council that the City, by reason of its serving as a major port in a transportation corridor and as the commercial and industrial center of the area, has conferred substantial benefits upon residents and owners of properties outside the City without corresponding tax contributions on their part for these services and benefits. Due to opposition on the part of some of these non-residents and primarily because of a lack of consensus within the Council, the City petitioned for only a limited extension of its boundaries. The Local Boundary Commission considerably reduced the extent of the territory applied for and the annexation was approved by the Legislature in March of 1978. Subsequently, in its administration of government, the City has established differential tax districts for the annexed areas based on the City's capability to provide municipal services and the level of services provided.

The lines of communications in the Skagway area are limited and there is a dearth of developable land which is readily accessible - e.g. the area is largely river flood plain, mountain and glaciers. There are however, pockets of land suitable for residential or industrial development and to which provision of access will be practicable through

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road improvements and construction, e.g., along the Dyea road, in the Dyea valley and along the AB Mountain ridge line. And, most importantly, there is the transportation corridor through the White Pass. These are the areas which must be made available and developed in order that the City may accomodate ongoing and foreseen increased population and industrial growth. Under the State municipal land selection program the City's entitlement is 500 acres. There are, however, not 500 acres of State land within the City boundaries which are suitable for selection. Therefore, with the concurrence and assitance of the State Division of Lands, the City has nominated lands for selection which lie outside the present municipal boundaries. In making these nominations, it was understood that the City would have until 1986 to extend its boundaries through annexation and thereby select its full allocation. The recent legislature, however, set a deadline of 1 October 1980 for municipal land selection. Therefore, completion of the annexation process has become a matter of urgency.

To facilitate annexation, it is considered to be entirely appropriate as well as both more practical and more economical that the area to be annexed be encompassed by established survey monuments. Accordingly, the City Council reached a decision to petition for annexation of all of the area within the unorganized borough encompassed by the Haines Borough boundary and the U.S.-Canada Boundary.

Given the confines established by the Haines Borough boundary and the U.S. - Canada boundary, it is self-evident that any further enlargement of the City of Skagway's

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boundaries will be impossible. The question becomes which form of government is most appropriate. The Skagway Council rejected establishment of a borough as being an overlapping, expensive, and largely unnecessary layer of government; better that the City should expand into the "gap". Further, there was no legal method under the State statutes for the City to transform into a unified city-borough in a single step. Lastly, the Council acknowledges a legislative trend toward classification of all lands in the State and toward elimination of the unclassified borough. Enlargement of the City of Skagway's boundaries to 451 square miles might be considered large for a city, but it is a mere paucity by present borough standards prevailing in the state. Specifically, it would be approximately one-third as large as the present smallest borough, about one-tenth as big as the "average" borough, and little useful purpose could be seen in organizing yet another separate local government unit in the form of a borough. A borough would furnish no greater services, and the City of Skagway has adopted a scheme of differential tax zones to implement a policy of real property taxation to correspond with the level of services provided.

VI. City Owned Properties Outside the Existing Boundaries. A segment of the west side of the City's recreational park at Yakutania Point lies outside the present boundary. The City has nominated several hundred acres of land for municipal selection which lies outside the City limits. Subject to approval of this petition, some of these lands will be selected prior to 1 October 1980.

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VII. Population and Activities Within the Area Proposed for Selection. A total of 51 persons reside outside the City limits and within the area proposed for annexation. There are approximately 175 acres of privately-owned land in the area, primarily along the Dyea Road and in Dyea Valley. In addition to permanent residences there are a number of recreational cabins located on private and State land which are occupied weekends.

The largest industrial activity in the area, the White Pass and Yukon Route has extensive improvements in the area, specifically the railway and pipeline through the White Pass. The area proposed for annexation consists largely of Federal and State lands including the National Park and a portion of the Tongass National Forest.

VIII. Taxes, Services and Benefits in Transition. Upon receiving annexation authority, the City of Skagway would propose to undertake planning and zoning control immediately and to increase the level of police and fire protection as practicable throughout the enlarged jurisdiction. That is not to say that the services will be equal. For example, the Council will have to consider obtaining some separate and lesser firefighting equipment for placement at Dyea.

The City of Skagway's fiscal year runs from July 1 through June 30 of the next calendar year. Since the effective date of the annexation would fall in the middle of calendar year 1980 and most probably at a time other than the commencement of Skagway's 1980-81 fiscal year, it is contemplated that the City's services would be phased in on a schedule roughly

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commensurate with additional revenue which is generated for capital improvements. The City will not impose taxation, either on real or personal property, in the territory proposed for annexation until tax year 1981.

Extension of governmental services and of water and sewer utilities will be undertaken on a basis compatible with the City's financial ability with a view toward a favorable cost-benefit ratio. This is not in the immediate future and Skagway would establish differential tax zones which would be amended from time-to-time in parallel with the level of services provided. Skagway's present differential tax zone applies 100% of the levy to the land on the flats on the southeast side of the river; 79 1/2% to the flat lands on the other side of the river, and a 50% levy on the sloping lands and those within the City towards Dyea. It is contemplated that additional tax zones with appropriately lesser rates would be established for the areas proposed for annexation by this petition, e.g., for the Dyea and White Pass Corridor areas.

The City Council recognizes the need for fire, rescue and ambulance services; a plan will be formulated to ascertain how to best respond to additional requirements.

The construction of new residential and commercial structures and additions thereto in the new territory will be subject to the Planning and Zoning Permit process thus insuring greater value through compliance with recognized standards. In this regard, it is the intent of the City Council that these standards will be applied in a reasonable and equitable manner with due consideration given to the

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situs and nature of the building and to the individual life style preference of the inhabitants. The City's comprehensive zoning plan will have to be revised and expanded commensurate with its enlarged jurisdiction, and this will be done. In undertaking this task, the City plans to recognize non-conforming uses through "grandfather rights" and to confer with residents and owners of property in Dyea to ascertain whether full applicability of the aforementioned codes is appropriate in that sector.

Members of the population currently residing outside of the city and using municipally-provided services are unable to play a role in the formulation of policy pertaining to those services. The annexation would, in addition to the obvious benefit of the privilege of voting, allow those who are currently non-residents of the City to participate in policy formulation through candidacy for elective office such as council and school board, and serve on numerous committees and commissions.

There are no inter-municipal agreements regarding transitional provisions of services and distribution of assets and liability because this proposed annexation does not affect any other city or borough.

It is contemplated that benefits from annexation would accrue to the city, present as well as those enfranchised by annexation. The tax base will be broadened by the extensive capital investment programs proposed for support of the oil and natural gas pipelines. For example, of the estimated $211 million cost of the oil pipeline, some $163 million will be expended for capital improvements within the proposed

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municipal boundaries. The City will also arguably benefit from receipt of a percentage of the Tongass National Forest stumpage fees. These benefits will enable the upgrading of city services for the benefit of all residents, tourists and casual users of the area, commercial and industrial users who would patronize the area as a transportation corridor and staging location, and in particular will provide for the extension of a higher level of services to the more removed areas such as Dyea Valley.

IX. Conclusion. The purpose of this annexation petition is to anticipate growth and provide for advance planning. The increase in activity attendant to the construction and operation of the pipelines will both benefit the City's economy and generate increased demands and costs for governmental services. The City will require that the pipeline construction companies assume a major share of these costs until they can be supported by the increased tax base. In the absence of annexation, the City would be lacking adequate jurisdiction and controls necessary to implement timely extensions of municipal services.

Annexation is imperative if the City of Skagway is to fully realize its land selection entitlements.

It is the conclusion of the City Council that there is a need for basic governmental services such as the promotion and control of land usage and development through the exercise of planning and zoning authority paralleled by the extension of police and fire protection service to the inhabitable areas outside the city which are now or soon will be partially urban in character. Extension of the City

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PHONE 586-5340
200 H. B. A. BLDG.
P.O. BOX 1211, JUNEAU, ALASKA 99802

boundaries rather than formation of an overlapping borough jurisdiction is deemed a more prudent alternative. The volume and nature of tourism and recreational visitation is both changed and increased, and most importantly, the prospects for major industrial development are imminent. The City wishes to respond to the foreseen impact by enlarging its jurisdiction "to provide for maximum local self-government" consistent with Alaska's Constitutional mandate.

DATED this 24 day of July, 1979.

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By L.B. Jacobson
L.B. Jacobson

Of Attorneys for Petitioner

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY
A PROFESSIONAL CORPORATION
200 N. G. A. BLDG PHONE 586-5340
P.O. BOX 1211, JUNEAU, ALASKA 99802

SCR

9

COMMITTEE REPORT

SENATE

2/13/79

FURTHER: None

Date: 2-1-79

Mr. President:

The Committee on Community & Regional Affairs has had SCR 9

requesting Dept. of Transportation & Public Facilities to examine & report on feasibility of a road between Wales and Tin City

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Wertanen Jr.
Tim Kelly
Kim Rogers
Terry Stinson

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Carlton Smith
CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator George Hohman
Senator Frank Ferguson
Senator Mike Colletta
All Interested Parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - ASSEMBLY BUILDING, ROOM 207

Thursday, March 8, 1979

1:30 p.m.

SB 204 - An Act relating to public utility rates.

SB 2 - Continued from February 22: An Act relating to the comprehensive recycling and reduction of litter and imposing a litter reduction assessment; and providing for an effective date.

Hold to 3/9/79

SCR 9

3-8-79

Committee Log Book -

Tape Number 1

Side Number 1&2

Senate C/RA
Committee

Dates 3-8-79 to

Present: Chmn. Sturgulewski, Senators Stimson, Rodey, Mulcahy

Bill Numbers Discussed

SB 2	SB 204	SB 131	SB 205	SCR 9					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 P.M.	000	SB 2	Chairman Sturgulewski
			Sen. Mulcahy Mtn. bring "CS" before Committee
			David Olerud-Haines - Nat'l Fed. Independent Business
			Mr. DeBoy - Dir. - Gordon Youth Center
			Sen. Kelly, amend to Dept Env. Cons.
			Sen. Mulcahy move to pass W/ind. rec.
			Decision to have work session tomorrow Beltz Rm
		SB 204	Carolyn Gucss - APUC Commissioner
			Sen. Hohman
			Bob Techura
			Carolyn Gucss
			Mulcahy
			Rodey
			Hold until tomorrow Gucss to wash up Hohman
			David Hutchinson AK Dis Cooperative Assn.
			Jerry Larson, Mgr., Engineering Dept.
		SB 131	John Scribner, Dir. Water Programs
			Sally Hanson, Sen. Fertula's AA
			Palmer McCarter Dept. C/RA - Objection
			Sen. Stimson move to pass CS w/ind rec - No objection

TAPE II
3/12/79

Committee Log Book - 1980

Tape Number II

SENATE C/RA
Committee

Side Number 1

Dates 3/12/79 to

Bill Numbers Discussed

	SB 2	SCR 9	SB 204						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
	000	SB 2	Chairman Sturgulewski called meeting back to order
	010		CSSB 2 up for consideration
	012		Sen. Stimson motion to pass out with ind. rec.
			Sen. Rodey - no rec and Sen. Kelly - do not pass
			until funding appropriation is settled.
	018		Chairman Sturgulewski - another bill needs to be
			for funding
	022		Sen. Mulcahy moved to introduce funding bill
	024		Sen. Kelly objected / no bill before Committee
	027		Chairman Sturgulewski
	028		Sen. Kelly
	040		Sen. Rodey/ Motion to introd. bill with notation
			to this corrects single subject constitutional
			problem which existed in the original bill.
	053		Chairman Sturgulewski - write letter to Sen. Pres.
			suggesting new bill be drawn...
	70		Sen. Kelly objects in the final vote on the letter.
			idea - he wants to see source of funding first,
			having objected to the original version.
	080	SCR 9	Sen. Kelly
	85		Sen. Sturgulewski
	90		Sen. Rodey
	93		Sen. Sturgulewski
		SB 204	
	100		Chairman Sturgulewski
	109		Sen. Hohman
	134		Sen. Rodey / Sen. Hohman
	140		Commissioner Carolyn Guess/ APUC
	156		Chairman Sturgulewski
	165		Ms. Guess
	177		Chairman Sturgulewski
	195		Sen. Hohman questions Ms. Guess
	220		Sen. Hohman
	227		Sen. Kelly/ Sen. Hohman

233 Sen. Hohman
244 Sen. Sturgulewski
249 Sen. Hohman
263 Ms. Guess/ Chrmn Sturgulewski
313 Sen. Hohman
321 Sen. Sturgulewski
323 Sen. Stimson questions Sen. Hohman
339 Mr. Hutcheon
353 Sen. Stimson
357 Ms. Guess
368 Sen. Stimson
375 Ms. Guess
390 Sen. Hohman
405 Sen. Mulcahy moved to adopt "CS" for SB 204
417 All agreed - no objections
426 Sen. Rodey moved to pass out "CS" for SB 204

SCR 9

432 Sen. Rodey
434 Sen. Kelly
435 Chairman Sturgulewski
436 Sen. Stimson
445 Sen. Rodey
455 Sen. Mulcahy
460 Sen. Rodey
468 Chairman Sturgulewski - motion to pass out?
Egeryone - "Do pass"
473 Sen. Rodey
474 Mtg. Adjourned.

SCR

12

COMMITTEE REPORT

SENATE

FURTHER: None

2/13/79

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has ad SCR 12

Approving regulations adopted by Alaska Policy Council

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 [ ] new title

and recommends _____

[X] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Mackay

Cowles Stevens

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tim Kelly - Do Not Pass

with letter of intent

Cowles Stevens

CHAIRMAN

Do Pass.

S 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT
SCR 12

The concept of local control in coastal zone management has been basic to the development of the state's coastal zone management program. A predominant concern of the committee is the functioning of this local control in the unorganized borough.

This letter is intended to condition legislative approval of these regulations on a requirement that the Department of Community and Regional Affairs submit an adequate development plan for the organization of effective, locally-controlled coastal resource districts. Appropriations for the coastal management program will be allocated accordingly. The committee suggests that the Department of Community and Regional Affairs work with the Legislative Council to satisfy this requirement.

While rural communities may not initially want to involve themselves in coastal zone management, it is doubtful they will want to entrust it to others when fully understood. Considering the implications district coastal zone management has for subsistence habitat protection and rehabilitation, one can probably expect strong local participation in district coastal zone management policy making.

The Legislative Council will establish an interim program to monitor the state's coastal resource disticts' community organization. Important to this organization is fair local-level understanding of the phrase "land and water uses of state concern". The energy siting regulations are designed to guide local coastal resource districts to properly regulate such land and water uses of state concern.

In addition, the committee is aware that the proposed standard 6 AAC 80.160 (a) introduces a new element in the coastal management program . Existing public participation regulations (6 AAC 80.020 and 6 AAC 85.130) apply specifically to adoption of district programs and amendments to district programs. In districts which develop district programs containing areas which merit special attention, the public involvement provisions of 6 AAC 85.130 apply. It is the intent of this committee that regulations for public involvement be developed for areas not in districts which are designated as meriting special attention by the Council. Council designation should include evidence of effective and significant opportunity for public participation in the specified "concurrence" and such public involvement process should be specified in the Alaska Coastal Managemnet Plan Guidelines.

Further, it is the intent of the committee that the letter of intent of the Senate Community and Regional Affairs Committee which appears on page 463 of the Senate Journal be approved.

SENATE LETTER OF INTENT

SENATE CONCURRENT RESOLUTION NO. 12

Testimony received by the Community and Regional Affairs Committee indicated the need for a change in the Alaska Coastal Policy Council's regulations. Specifically:

(1) 6 AAC 80.100 (a)(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats.

The testimony indicated the need:

following words "streambanks and shorelines," delete "prevent" insert "minimize"

A representative from the Alaska Coastal Policy Council and a representative from the Office of Coastal Management concurred with the need for this change.

It is the intent of this committee that the words "minimize adverse impacts" should apply to both fish resources and habitats and wildlife resources and habitats.

The Committee urges the Alaska Coastal Policy Council to consider and adopt this change at its earliest convenience.

Adopted as a Senate Letter of Intent March 13, 1979
by unanimous consent

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BELTZ ROOM, 209 Capitol Building

Friday, March 2, 1979

1:30 p.m.

SB 145 - An Act relating to implementation of the Alaska Coastal Management Program.

SCR 12 - Approving regulations adopted by the Alaska Coastal Policy Council.

2/21/79

Notified

Sen. Secretary
Sen. Colletta
CRT Operator

+ Dept C/RA
NAL
Don Berry
Murray Walsh (Ast Zone Mgmt)
All Mayors
Gov's Office

Alaska State Legislature

Senate

Office of the Secretary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Community & Regional Affairs Committee

FROM: Senate Secretary's Office

DATE: January 15, 1980

The following resolution is in your committee and expired at the end of the first session. Please pull it from your files and return to the Senate Secretary's Office.

SJR 12

out of C&RA
is in Rules now - so
you can just toss this —
S.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BELTZ ROOM, 209 Capitol Building

Friday, March 2, 1979

1:30 p.m.

SB 145 - An Act relating to implementation of the Alaska Coastal Management Program.

SCR 12 - Approving regulations adopted by the Alaska Coastal Policy Council.

3-2-79

Committee Log Book - 1979 ~~1980~~

Tape Number 1

Side Number 1

SENATE C/RA Chairman Sturgulewski
Committee

Dates 3/2/79 to

Others Present: Senators Mulcahy and Kelly
" Absent: Senators

Bill Numbers Discussed

SB 137	SB 145	SCR 12	SB? 129						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:33			Chairman Sturgulewski called the meeting to order.
		SB 137	
	48		Tom Bearup, Mayor, City Soldotna for Mayors Conf.
	153 161		Sen. Kelly Chairman Sturgulewski
	167 169		Sen. Kelly Chairman Sturgulewski
	214 279		Mr. Nordale Chairman Sturgulewski
	295 388		Palmer McCarter, Director, Dept. C/RA Chairman Sturgulewski
	391 398		Sen. Kelly Mr. Nordale
	418 429		Sen. Kelly Chairman Sturgulewski
	433 462		Palmer McCarter, Dept. C/RA Sen. Kelly
	464 471		Palmer McCarter, Dept. C/RA Jack Chenoweth, Legal Services Division
	474 484		Sen. Kelly Chairman Sturgulewski
	488 494		Palmer McCarter, Dept. C/RA Sen. Kelly
	508 528		Chairman Sturgulewski Sen. Kelly, Motion to adopt amendment/Hold Bill
	543	SCR 12	HOLD BILL UNTIL TUESDAY Chairman Sturgulewski
	562 590		Don Gilman/ Mayor/ Mayors Conference Speaker Roger Allington/Co-Chair. AK. Cstl Policy Cncl.
	578		Murray Walsh, Staff, and Fran Almer Mr. Walsh
	689 713		Ken Showalter, Sohio Petroleum Co. Jim Clark, Ak. Logger's Assoc.
	778		Mr. Alli[illegible]n
- Let. of Intent	804		Sen. Kelly
	840		Sen. Mulcahy Mtn to move SCR 12
	843		[illegible]

WCR

855 - SB 145

876 -	Mayor Gilman
961	Sen. Kelly
1025	Mr. Allington
1160	Sen. Kelly
1172	Mr. Chenoweth/ Legal Services Murray Walsh
1211	Mr. Allington
1244	Mr. Chenoweth
1249	Mr. Allington
1290	Murray Walsh/Sen. Sturgulewski
1365	Mr. Allington
1425	Sen. Kelly
1461	Sen. Sturgulewski
1468	Sen. Kelly
1478	Mr. Allington
1494	Mr. Walsh
1511	Sen. Kelly
151[illegible]	Mr. Allington
1602	Sen. Kelly
1610	Mr. Allington
1625	Sen. Kelly
1627	Mr. Allington
1641	Mr. Walsh
1646	Chairman Sturgulewski
1650	Mr. Chenoweth
1658	Mr. Walsh
1661	Ken Showalter, Sohio
1708	Sen. Kelly
1710	Mr. Showalter

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

SB 145 SCR 12, SB 129 SB 137

3-2-19

Re:	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
SCR 12 SB 145 SCR	Dan Gilman	BOX 850, SOLDOTNA	Kenai Peninsula Borough
SCR 12	ROGER ALLINGTON	618 GOLD, JUNEAU	ACPC
SCR 12 SB 145	MURRAY WALSH	POUCH AP JUNEAU	ACPC STAFF
SB 145 SCR 15	Ken [illegible]	Room 922, Baranof Hotel	SOHIO
SCR 12	Jim Clark	P.O. Box 1227 Juneau	Alaska Loggers' Assn
SCR 137	Thomas L. Koloski	P.O. Box 927 Soldotna	CITY OF SOLDOTNA

FIRST READING AND REFERENCE OF SENATE BILLS

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 22 (Rules) amended, by the Rules Committee, entitled: CSSB 22 (Rls) am

> "An Act extending the benefits of group insurance to certain temporary employees of the state and its governmental units; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 68 by the Rules Committee, entitled: CSSB 68

> "An Act relating to the use of waste heat produced by certain pipeline facilities; and providing for an effective date."

was read the first time and referred to the Judiciary Committee.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 130 amended by the Health, Education and Social Services Committee, entitled: CSSB 130am

> "An Act relating to the student loan program; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services and Finance Committees.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 182 (Finance) by the Finance Committee, entitled: CSSB 182 (Fin)

> "An Act abolishing the Alaska Salary Commission and providing for compensation of public officers and employees; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

REPORTS OF STANDING COMMITTEES

SCR 2 The State Affairs Committee has had SENATE CONCURRENT RESOLUTION NO. 2 (relating to the employment of persons in permanent part-time positions in state government) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Eliason, Fuller, Gardiner and Martin.

SCR 2 was referred to the Rules Committee for placement on the calendar.

CS SCR 11am The State Affairs Committee has had COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 11 amended (relating to the hazardous condition of the Muldoon and Fort Richardson cloverleafs on the Glenn Highway due to lack of adequate guardrails) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Eliason, Fuller, Gardiner and Martin.

CSSCR 11am was referred to the Rules Committee for placement on the calendar.

SCR 12 The Community and Regional Affairs Committee has had SENATE CONCURRENT RESOLUTION NO. 12 (approving regulations adopted by the Alaska Coastal Policy Council) under consideration and a majority of the committee reports it back with individual recommendations and attaches a letter of intent. Parker (Chairman), Brown and Parr recommend do pass. Carney and Zharoff have no recommendation.

SCR 12 was referred to the Rules Committee for placement on the calendar.

The Community and Regional Affairs Committee's letter of intent on SCR 12 appears as follows:

LETTER OF INTENT
SCR 12

The concept of local control in coastal zone management has been basic to the development of the state's coastal zone management program. A predominant concern of the committee is the functioning of this local control in the unorganized borough.

This letter is intended to condition legislative approval of these regulations on a requirement that the Department of Community and Regional Affairs submit an adequate development plan for the organization of effective, locally-controlled coastal resource districts. Appropriations for the coastal management program will be allocated accordingly. The committee suggests that the Department of Community and Regional Affairs work with the Legislative Council to satisfy this requirement.

SCR 17

While rural communities may not initially want to involve themselves in coastal zone management, it is doubtful they will want to entrust it to others when fully understood. Considering the implications district coastal zone management has for subsistence habitat protection and rehabilitation, one can probably expect strong local participation in district coastal zone management policy making.

The Legislative Council will establish an interim program to monitor the state's coastal resource disticts' community organization. Important to this organization is fair local-level understanding of the phrase "land and water uses of state concern". The energy siting regulations are designed to guide local coastal resource districts to properly regulate such land and water uses of state concern.

In addition, the committee is aware that the proposed standard 6 AAC 80.160 (a) introduces a new element in the coastal management program . Existing public participation regulations (6 AAC 80.020 and 6 AAC 85.130) apply specifically to adoption of district programs and amendments to district programs. In districts which develop district programs containing areas which merit special attention, the public involvement provisions of 6 AAC 85.130 apply. It is the intent of this committee that regulations for public involvement be developed for areas not in districts which are designated as meriting special attention by the Council. Council designation should include evidence of effective and significant opportunity for public participation in the specified "concurrence" and such public involvement process should be specified in the Alaska Coastal Managemnet Plan Guidelines.

Further, it is the intent of the committee that the letter of intent of the Senate Community and Regional Affairs Committee which appears on page 463 of the Senate Journal be approved.

SB 125

The Commerce Committee has had SENATE BILL NO. 125 (making a special appropriation for operating expenses of radio station KYUK, Bethel, and lapsing a portion of an appropriation for a capital expenditure for that station; effective date) under consideration and a majority of the committee reports it back with individual recommendations. Brown (Chairman), Branson and Bettisworth recommend do pass. Malone has no recommendation. Randolph recommends do not pass.

SB 125 was referred to the Finance Committee.

CSSB 134

The Community and Regional Affairs Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 134 (making a special appropriation to the Department of Community and Regional Affairs for grants to municipalities and other recipients in place of entitlements under the program of state aid to local governments; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Parker (Chairman), Branson, Carney, Parr and Zharoff.

CSSB 134 was referred to the Finance Committee.

SB 202 The State Affairs Committee has had SENATE BILL NO. 202 (making a special appropriation from the International Airports Construction Fund to the Fairbanks International Airport; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Eliason, Fuller, Gardiner and Martin.

SB 202 was referred to the Finance Committee.

SB 203 The State Affairs Committee has had SENATE BILL NO. 203 (authorizing the issuance and sale of an additional $8,500,000 in revenue bonds for international airports; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Eliason, Fuller, Gardiner and Martin.

SB 203 was referred to the Finance Committee.

HB 76 The Judiciary Committee has had HOUSE BILL NO. 76 (relating to powdered alcohol) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 76 (same title) and reports it back with individual recommendations. Parr (Chairman), Phillips, Malone and Buchholdt recommend do pass. Brown, Martin and Anderson have no recommendation.

HB 76 was referred to the Rules Committee for placement on the calendar.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE BILLS

HB 435 HOUSE BILL NO. 435 by Hayes, Barnes, Bettisworth and Martin, entitled:

"An Act relating to appropriation bills."

was read the first time and referred to the Finance Committee.

CRA

STATE OF ALASKA

COASTAL POLICY COUNCIL

January 25, 1979

LOCAL MEMBERS:
Roger Allington, Northern Southeast, Co-Chairman
Roger Fagerstrom, Bering Straits
Donald Gilman, Lower Cook Inlet
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
Stan Paukan, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS.
Frances Ulmer, Director of Policy Development & Planning, Co-chairwoman
Donald Harris, Commissioner of Transportation & Public Facilities
Phillip Hubbard, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

On behalf of the Alaska Coastal Policy Council, and as required by law, we respectfully submit that portion of the Alaska Coastal Management Program adopted during 1978. We also request that you initiate legislative review and approval of this portion of the program.

Section 44.19.893(4) of the Alaska Coastal Management Act requires the Council to "...submit annually to the legislature, not later than the 10th day of each regular session, the portion of the coastal management program approved or amended by the council during the preceding year..."

As you also know, Section 46.40.080. of the Act provides that:

> The Alaska coastal management program adopted by the council, and any additions, revisions, or amendments of the program, take effect upon adoption of a concurrent resolution by a majority of the members of each house of the legislature or by a vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.

In a legal opinion issued last spring, the Attorney General defined the "coastal management program" as that phrase is used in the foregoing citations, to include all regulations adopted by the Council, and all local government coastal programs mandated by Section 46.40.030. of the Act.

ALASKA
COASTAL MANAGEMENT PROGRAM

The attached portion of the program consists of a set of amendments to the ACMP Guidelines and Standards adopted by the Council in December of 1978.

The original Guidelines and Standards were prepared during late 1977 and early 1978 and submitted to the Legislature in April of 1978. (This late submittal was authorized by SB 388 which amended the Act to allow a one-time special submittal date for the originial Guidelines and Standards.) In June of 1978 the original Guidelines and Standards were approved by the Legislature and went into effect.

Since the last session, however, a number of requests were made to amend the Guidelines and Standards including some requests by the Legislature itself through letters of intent. In Section 80.010(c) of the original Guidelines and Standards, the Council bound itself to review these regulations periodically, and so, in the fall of 1978, the Council re-examined the regulations in light of various requests and suggestions and adopted the attached amendments.

We have followed the requirements of the Administrative Procedures Act in adopting these regulations and the Attorney General has reviewed and approved these amendments.

In a few days you will also receive the Council's Annual Report which describes the activities of the Council and ACMP as a whole. That report will repeat this submission and request for approval of these amendments. Further, the Annual Report will contain a number of reference items, such as the Alaska Coastal Management Act of 1977, and the original Guidelines and Standards, and will be a convenient reference source for the Legislature as it considers the requests of the Council.

We thank you for your consideration of these requests. We are at your disposal for presentations and discussions on these amendments to the Guidelines and Standards and any other matters related to ACMP. Please call Murray Walsh at the Office of Coastal Management (465-3540) to arrange for our participation if you or other members of the Legislature would so desire.

Sincerely,

Frances A. Ulmer
Co-Chairman

Roger Allington
Co-Chairman

Enclosures

6 AAC 80.040(b), COASTAL DEVELOPMENT, is amended to read:

(b) The placement of structures and the discharge of dredged or fill material into coastal water must, at a minimum comply with the standards contained in Parts 320-323, Title 33, Code of Federal Regulations, (Vol. 42 of the Federal Register, pp. 37133--47 (July 19, 1977)).
(Eff. 7/18/78, Reg. 67; am. / /, Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.060, RECREATION, is amended by adding a new subsection to read:

(b) Districts and state agencies shall give high priority to maintaining and, where appropriate, increasing public access to coastal water. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.070, ENERGY FACILITIES, is amended to read:

(a) Sites suitable for the development of major energy facilities must be identified by districts and the state in cooperation with districts.

(b) The siting and approval of major energy facilities by districts and state agencies must be based, to the extent feasible and prudent, on the following standards:

(1) site facilities so as to minimize adverse environmental and social effects while satisfying industrial requirements;

(2) site facilities so as to be compatible with existing and subsequent adjacent uses and projected community needs;

(3) consolidate facilities;

(4) consider the concurrent use of facilities for public or economic reasons;

(5) cooperate with landowners, developers, and federal agencies in the development of facilities;

(6) select sites with sufficient acreage to allow for reasonable expansion of facilities;

(7) site facilities where existing infrastructure, including roads, docks, and airstrips, is capable of satisfying industrial requirements;

(8) select harbors and shipping routes with least exposure to

reefs, shoals, drift ice, and other obstructions;

(9) encourage the use of vessel traffic control and collision avoidance systems;

(10) select sites where development will require minimal site clearing, dredging and construction in productive habitats;

(11) site facilities so as to minimize the probability, along shipping routes, of spills or other forms of contamination which would affect fishing grounds, spawning grounds, and other biologically productive or vulnerable habitats, including marine mammal rookeries and hauling out grounds and waterfowl nesting areas;

(12) site facilities so that the design and construction of those facilities and support infrastructures in coastal areas of Alaska will allow for the free passage and movement of fish and wildlife with due consideration for historic migratory patterns and so that areas of particular scenic, recreational, environmental, or cultural value will be protected;

(13) site facilities in areas of least biological productivity, diversity, and vulnerability and where effluents and spills can be controlled or contained;

(14) site facilities where winds and air currents disperse airborne emissions which cannot be captured before escape into the atmosphere;

(15) select sites in areas which are designated for industrial purposes and where industrial traffic is minimized through population centers; and

(16) select sites where vessel movements will not result in overcrowded harbors or interfere with fishing operations and equipment.

(c) Districts shall consider that the uses authorized by the issuance of state and federal leases for mineral and petroleum resource extraction are uses of state concern. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.080(a), TRANSPORTATION AND UTILITIES, is amended to read:

(a) Transportation and utility routes and facilities in the coastal area must be sited, designed, and constructed so as to be compatible with district programs. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.100, TIMBER HARVEST AND PROCESSING, is amended to read:

(a) Commercial timber harvest activities in the coastal area must be conducted so as to meet the following standards:

(1) the location of facilities and the layout of logging systems must be sited so as to minimize adverse environmental impacts;

(2) free passage and movement of fish in coastal water must be assured; and

(3) timber harvest and timber management activities must be planned so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats.

(b) Commercial timber transport, storage, and processing in the coastal area must be conducted so as to meet the following standards:

(1) onshore storage of logs must be encouraged where compatible with the objectives of the Alaska Coastal Management Program;

(2) sites for in-water dumping and storage of logs must be selected and these activities conducted so as to minimize adverse effects

on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not constitute a hazard to navigation;

(3) roads for log transport and harvest area access must be planned, designed, and constructed so as to minimize mass wasting, erosion, sedimentation, and interference with drainage, and must be adequately maintained until they are returned to their pre-road natural drainage patters (put-to-bed); and

(4) stream crossings, including bridges and culverts, must be kept to a minimum number, designed to withstand seasonal high water and flooding, and must provide for free passage and movement of fish. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.110(a), MINING AND MINERAL PROCESSING, is amendend to read:

(a) Mining and mineral processing in the coastal area must be regulated, designed, and conducted so as to be compatible with the standards contained in this chapter, adjacent uses and activities, statewide and national needs, and district programs. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.160(a), AREAS WHICH MERIT SPECIAL ATTENTION, is amended to read:

(a) Any person may recommend to a district or to the council areas to be designated as areas which merit special attention. Districts shall designate in district programs areas which merit special attention. Areas which are not in districts and which merit special attention shall be designated by the council with the concurrence of appropriate state agencies, municipalities, and villages affected by the designation. Designations must include the following information:

(1) the basis or bases for designation under AS 46.40.210(1) or (b) of this section;

(2) a map showing the geographical location, surface area and, where appropriate, bathymetry of the area;

(3) a description of the area which includes dominant physical and biological features;

(4) the existing ownership, jurisdiction, and management status of the area, including existing uses and activities;

(5) the existing ownership, jurisdiction, and management status of adjacent shoreland and sea areas, including existing uses and activities;

(6) present and anticipated conflicts among uses and activities within or adjacent to the area, if any; and

(7) a proposed management scheme, consisting of the following:

(A) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to land and water within the area;

(B) a summary or statement of the policies which will be applied in managing the area; and

(C) an identification of the authority which will be used to implement the proposed management scheme. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.900, DEFINITIONS, is amended by adding new paragraphs to read:

6 AAC 80.900, DEFINITIONS. Unless the context indicates otherwise, in this chapter

(20) "feasible and prudent" means consistent with sound engineering practice and not causing environmental, social, or economic problems that outweigh the public benefit to be derived from compliance with the standard which is modified by the term "feasible and prudent;

(21) "including" means including but not limited to;

(22) "major energy facility" includes marine service bases and storage depots, pipelines and rights-of-way, drilling rigs and platforms, petroleum or coal separation, treatment, or storage facilities, liquid natural gas plants and terminals, oil terminals and other port development for the transfer of energy products, petrochemical plants, refineries and associated facilities, hydroelectric projects, other electric generating plants, transmission lines, uranium enrichment or nuclear fuel processing facilities, and geothermal facilities; "major energy facility" means a development of more than local concern carried out in, or in close proximity to, the coastal area, which meets one or more of the following criteria:

(1) a facility required to support energy operations for exploration or production purposes;

(2) a facility used to produce, convert, process, or store energy resources or marketable products;

(3) a facility used to transfer, transport, import, or export energy resources or marketable products;

(4) a facility used for in state energy use; or

(5) a facility used primarily for the manufacture, production, or assembly of equipment, machinery, products, or devices which are involved in any activity described in (1) - (4) of this paragraph;

6 AAC 80.900(9), is amended to read:

(9) "geophysical hazard areas" means those areas which present a threat to life or property from geophysical or geological hazards, including flooding, tsunami run-up, storm surge run-up, landslides, snowslides, faults, ice hazards, erosion, and littoral beach process;
(Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.040(a), BOUNDARIES, is amended to read:

(a) Each district must include a map of the boundaries of the coastal area within the district subject to the district program. Boundaries must enclose those lands which would reasonably be included in the coastal area subject to the district program if they were not subject to the exclusive jurisdiction of the federal government. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.130(b), PUBLIC INVOLVEMENT, is amended to read:

(b) At least 60 days before giving conceptual approval to the district program or significant amendment to the district program, the district shall give written notice to the council and any person who has requested notice in writing, as well as public notice of the proposed action by conspicuous advertisement in a newspaper of general circulation within the district. In addition, notice must be given by radio and by posting in villages and municipalities within the district. The notice must specify the time and place of a public hearing on the proposed action and the availability for review of the proposed district program document or significant amendment to the district program. The public hearing under this subsection may be held not sooner than 30 days after notice is given. At the public hearing, each person must be given

the opportunity to present statements, arguments, or contentions, orally or in writing. Districts shall insure that, where appropriate, translation into the appropriate Native language(s) is provided. The district shall consider all relevant matter presented to it. A written transcript or electronic recording of the public hearing must be submitted to the council. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.150, COUNCIL REVIEW, is amended to read:

(a) (((No changes.)))

(b) Within 30 days after submission of the district program or amendment under (a) of this section, the Office of Coastal Management shall issue its recommendation. The recommendation may be based, in whole or in part, on matters not submitted by the district under (a) of this section. Any matters so used must be identified in the recommendation and placed in the record file under (c) of this section. The recommendation must contain findings and conclusions based on this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, and AS 46.40.070. The recommendation must be served on the district, the council, all persons who testified or submitted timely written statements at the public hearing held under sec. 130(b) of this chapter, and all persons who have requested the recommendation in writing. Broad public notice of the recommendation must be given.

(c) (((No changes.)))

(d) Within 30 days after service of the recommendation, any person served with the recommendation may serve on the council comments on the recommendation. Within 30 days after public notice of the recommendation, any other person may serve on the council comments on the recommendation. Within 10 days after the deadline for serving comments on the council under this subsection, the Office of Coastal Management may submit additional matter to the council in response to the comments. All comments served and all additional matter submitted under this subsection will be placed in the record file. The Office of Coastal Management shall respond to all comments within 30 days of receipt.

(e) (((No changes.)))

(f) If the council's decision under (e) of this section disapproves, in whole or in part, the district program, the decision will specify the date and location for the initial mediation session under AS 46.40.-060(b). Mediation sessions will be held with due regard for the convenience of the participants. Any person may attend mediation sessions. (Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 85.900, DEFINITIONS, is amended by adding new subsections to read:

6 AAC 85.900, DEFINITIONS. Unless the context indicates otherwise, in this chapter

(9) "feasible and prudent" has the same meaning as in 6 AAC 80.900;

(10) "including" has the same meaning as in 6 AAC 80.900.

(Eff. 7/18/78, Reg. 67; am / / , Reg.)

Authority: AS 44.19.893
AS 46.40.040

SCR

19

COMMITTEE REPORT

SENATE

FURTHER: None

2/19/79

Date: _____

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS CO has had SCR 19

(annexation of territory to the City of Kodiak)

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Tony Illiman

PATRICK RODEY

Bob Barbaby Do Pass

Tim Kelly

MEMBERS HAVING OTHER RECOMMENDATIONS:

DO PASS

CHAIRMAN

Do Pass

S 60 (Rev. 12/78)

2-16-79

Committee Log Book - ~~1980~~

Tape Number 1

SENATE C/RA

Committee

Side Number 1

Dates 2/16/79 to _____

Became SCR 19

Bill Numbers Discussed

SJR 12	PROPOSED CONCURRENT RESOLUTION								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3 p.m.		SJR 12	Chairman Sturgulewski/ Called meeting to order
	53 56		Sen. Stimson Chairman Sturgulewski
	233 254		Sen. Mulcahy Commissioner McAnerney/ Dept. C/RA
	283 293		Sen. Rodey Chairman Sturgulewski
	309 319		Sen. Rodey Commissioner McAnerney
	325 331		Sen. Rodey Commissioner McAnerney
	339 377		Chairman Sturgulewski Sen. Stimson
	380 399		Chairman Sturgulewski Sen. Mulcahy
	408		Sen. Rodey
			"Do Pass" - no objections
	426	New Res.	Committee agreed to sponsoring proposed concurrent resolution.
			Became SCR 19
3:20 p.m.			MEETING ADJOURNED

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 15, 1979

1:30 p.m. KODIAK - BOUNDARY COMMISSION RECOMMENDATIONS

SJR 12 - ANNEXATION OF TERRITORY TO CITY OF KODIAK

Briefing by Department of Community and Regional Affairs on Department functions

Mtg. Cont'd 2/16/79
Friday

Rough - SCR [19] Approved

SENATE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA Tuesday February 20, 1979

Thirty-seventh Day

Pursuant to adjournment, the Senate was called to order by President Tillion at 10:07 a.m.

The roll call showed nineteen members present. Senator Mulcahy was excused from a call of the Senate.

The prayer was offered by the Chaplain, Reverend Curtis McClain or the Glacier Valley Baptist Church.

Senator Colletta moved and asked unanimous consent that the journal for the thirty-sixth legislative day be approved as certified. Without objection, it was so ordered.

MESSAGES FROM THE HOUSE

Message of February 19 was read, stating the House has passed the following:

INTRODUCTION AND REFERENCE OF HOUSE RESOLUTIONS

HOUSE JOINT RESOLUTION NO. 12 by Representatives Randolph, Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Carney, Cotten, Duncan, Eliason, Freeman, Fuller, Gardiner, Guy, Halford, Haugen, Hayes, Hurlbert, McKinnon, Malone, Martin, Meekins, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Smith and Zharoff, HJR 12

> Relating to the tax exemption granted to federal employees in Alaska and in other locations outside the contiguous 48 states,

was read the first time and referred to the State Affairs Committee.

INTRODUCTION AND REFERENCE OF HOUSE BILLS

CS HB 3 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3 by the Judiciary Committee, entitled:

"An Act relating to the loss and restoration of voting rights."

was read the first time and referred to the State Affairs Committee.

CS HB 131 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 131 by the Health, Education and Social Services Committee, entitled:

"An Act relating to the Pioneers' Homes."

was read the first time and referred to the Health, Education and Social Services Committee.

STANDING COMMITTEE REPORTS

SCR 19 The Community and Regional Affairs Committee has had SENATE CONCURRENT RESOLUTION NO. 19 (annexation of territory of the City of Kodiak) under consideration and the committee recommends it do pass. The report was signed by Senator Sturgulewski, Chairman, and concurred in by Senators Stimson, Rodey, Mulcahy and Kelly.

SENATE CONCURRENT RESOLUTION NO. 19 was referred to the Rules Committee.

SB 32 The Health, Education and Social Services Committee has had SENATE BILL NO. 32 (adopting the Interstate Corrections Compact) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Hackney, Chairman, and concurred in by Senators Sturgulewski and Fahrenkamp. Senator Ferguson signed "no recommendation".

SENATE BILL NO. 32 was referred to the Judiciary Committee.

The Resources Committee has had SENATE BILL NO. 51 (relating to the confidential nature of certain reports required by the Department of Fish and Game) under consideration and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 51 and reports it back as follows: Senator Sumner, Chairman, and Senators Meland, Bennett and Dankworth signed "no recommendation". Senators Fahrenkamp and Mulcahy signed "do pass". SB 51

SENATE BILL NO. 51 was referred to the Rules Committee.

The Resources Committee has had SENATE BILL NO. 71 (relating to issuance of free annual licenses for senior citizens) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 71, entitled: SB 71

"An Act relating to fish and game licenses; and providing for an effective date."

and reports it back as follows: Senators Fahrenkamp, Dankworth and Bennett signed "do pass". Senator Sumner, Chairman and Senator Kerttula signed "no recommendation".

SENATE BILL NO. 71 was referred to the Rules Committee.

The Health, Education and Social Services Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 94 amended (supplemental appropriations to the Department of Education, division of vocational rehabilitation, Department of Health and Social Services, division of social services) under consideration and a majority of the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 94 and that it do pass. The report was signed by Senator Hackney, Chairman, and concurred in by Senators Sturgulewski, Fahrenkamp and Colletta. Senator Ferguson signed "no recommendation". The Committee further reports it back with a letter of intent. CS HB 94 am

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 94 amended was referred to the Finance Committee.

Letter of intent follows:

CS
HB
94
am

February 17, 1979

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE
LETTER OF INTENT FOR SENATE CS FOR CS FOR HOUSE BILL 94

With respect to the five social worker II positions and one social worker IV position in the Southcentral Region, it is the intent of the Senate Health, Education and Social Services Committee that these social workers be assigned to the area of child protection and not used by the Division of Social Services for some other unrelated service.

Senator Glenn Hackney
Chairman

Senator Frank Ferguson
Vice Chairman

Senator Mike Colletta

Senator Bettye Fahrenkamp

Senator Arliss Sturgulewski

The Rules Committee has had the following resolutions and bill under consideration and recommends they be placed on the February 21 calendar:

SR 4 SENATE RESOLUTION NO. 4 (termination of the Mutual Defense Treaty with the Republic of China)

SJR 7 SENATE JOINT RESOLUTION NO. 7 (expressing disappointment in and disapproval of President Carter's withdrawal of Alaska land under the Antiquities Act)

SB 101 SENATE BILL NO. 101 (disciplining of a licensed guide)

The reports were signed by Senator Colletta, Chairman, and concurred in by Senators Tillion, Sumner and Ziegler.

The above resolutions and bill will appear on the February 21 calendar.

SPECIAL COMMITTEE REPORTS

FREE CONFERENCE COMMITTEE REPORT

February 19, 1979

Mr. President:
Mr. Speaker:

The Free Conference Committee which has had SENATE JOINT RESOLUTION NO. 13 amended (encouraging the Alaska Congressional delegation to work together to resolve the problems created by the President's imposition of the Antiquities Act on lands in Alaska) and HOUSE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 amended House (enunciating the position of the Alaska State Legislature with respect to national interest lands in Alaska) under consideration, recommends that FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 (enunciating the position of the Alaska State Legislature with respect to national interest lands in Alaska) be adopted. HCS SJR 13 am H

The report was signed by Senator Tillion, Chairman, and concurred in by Senator Ziegler. Senator Rodey signed "do not concur". House members concurring, Representative Miles, Chairman, and Representatives Fuller and Hayes.

Senator Ziegler moved that the Senate adopt the Free Conference Committee report. Senator Rodey objected, then withdrew his objection.

The question being: "Shall FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 (enunciating the position of the Alaska State Legislature with respect to national interest lands in Alaska) pass the Senate?" The roll was taken with the following result:

Yeas:	18	Bennett, Bradley, Colletta, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kerttula, Meland, Ray, Rodey, Sackett, Stimson, Sturgulewski, Summer, Tillion, Ziegler
Nays:	1	Dankworth
Excused:	1	Mulcahy

FCCS SJR 13 and so, FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 passed the Senate.

The Secretary was requested to notify the House.

UNFINISHED BUSINESS

Senator Sumner moved and asked unanimous consent that he be excused from a call of the Senate on February 21. Without objection, Senator Sumner was excused.

Senator Sturgulewski moved and asked unanimous consent that she be excused from a call of the Senate February 24, 25 and 26. Without objection, Senator Sturgulewski was excused.

ANNOUNCEMENTS

Commerce SB 165, SB 125 SB 146, SJR 18	Beltz Room Room 209, Capitol	3:00 p.m., 2/20
Finance	Room 423, Capitol	8:30 a.m., 2/21
Resources SB 187, SB 92 SB 192, SB 128	Butrovich Room Room 207, Capitol	1:30 p.m., 2/21
State Affairs SCR 3, SCR 11 SB 3, SCR 2, SJR 23	Beltz Room Room 209, Capitol	3:30 p.m., 2/21
HESS SB 80, SB 90 SB 222 & Board of Pharmacy - Sunset Reports	Butrovich Room Room 207, Capitol	3:30 p.m., 2/21
C & RA SB 2 Litter Bill	Butrovich Room Room 207, Capitol	1:30 p.m., 2/22

ADJOURNMENT

Senator Colletta moved and asked unanimous consent that the Senate adjourn until 10:00 a.m., February 21. Without objection, the Senate adjourned at 10:30 a.m.

[redacted]

Peggy Mulligan
Senate Secretary

February 1979

SCR

51

COMMITTEE REPORT

SENATE

FURTHER: None

2/28/80

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 51

Approving the district coastal management program of the Municipality of Anchorage

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 [ ] new title

and recommends _____

[ ] 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:

CHAIRMAN

S 60 (Rev. 12/78)

Do Pass

Alaska State Legislature

Senate

Office of the Secretary
January 24, 1980

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

From: Secretary of the Senate

Subject: Coastal Management Program for the Municipality of Anchorage, City of Haines and Annette Islands Indian Reserve

The President this date referred the following reports to your committee in accordance with the enclosed letter:

Municipality of Anchorage Coastal Management Program (Final report April 1979 Volume II, Office of Coastal Management Summary of Revised Findings and Conclusions, and the Final Report September 1979 of the Coastal Management Program

Haines Coastal Management Plan and Office of Coastal Management Summary of Revised Findings and Conclusions January 4, 1980

Annette Islands Coastal Management Program and the Office of Coastal Management Summary of Findings and Conclusions of January 4, 1980

Encls: Letter
3 Reports w/ attach.

Senate C/RA. Page 10

Committee Log Book - 1980

Tape Number XII

Chairman A. Sturgulewski
Committee

Side Number (1)

Mbs Present: Sens. Stimson, Mulcahy

Dates 2-28-80 to

Bill Numbers Discussed

Coastal Zone	Res. SCR: 51, 52, 53, 54						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-28-80 1:35	008		Htg. Called to Order
	129		Sen. Mulcahy
	146		Tony Burns - Cst L Mgmt
	184		Sen. Mulcahy
	220		Sen. Stimson
	269		Sen. Sturgulewski - Public Input/approx re Anch. Munic. Plan
	300		Roger Allington - "Concept"
	341	SCR 51	Sen. Stimson Moves to Pass
	401	SCR 52	Lance Bousley - Natural Resource Center Metlak Annette Island Ind. Reserve
	438		Sen. Sturgulewski - re Beneficial
	456		Sen. Mulcahy - Moves to Move Out
	484	SCR 54	Roger Allington - Extra. territorial Plan & Interp. of Plans
	554	"	Sen. Stimson Moves to Pass
	579	SCR 53	Murray Walsh, Coastal Mgmt Re Regs, when Post up
	610	"	Sen. Stimson Moves Pass Out
	614		Sen. Sturgulewski
	633		Tamera Cook - Resol. re regs re Constitutionality & Lega
	707		Murray Walsh - AG's Memo - C

CCC

740 Sen. Sturgulewski & Tamara Cook c
what Courts will do.

766 Roger Allington

Ginny Chitwood

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

_____ 2/28

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
Kevin Jackson	1211 W. 5th Juneau	Self
John Hellwell	Box 179 - Haines	City of Haines
Tony Beerns	Planning Dept Pouch E-Lato, Juneau 99811	Municipality of Anchorage
Tina Grasley	Natural Resource Officer Box 318 Hydaburg, Ak.	Annette Islands Indian Reserve

NOTICE

The Senate Community and Regional Affairs Committee will hold a series of three meetings regarding legislative approval of three district coastal management programs--Haines District Coastal Management Program, Annette Islands District Management Program, and Anchorage Municipal District Coastal Management Program.

2/8/80 8:30-10:00 a.m. Joint House-Senate CRA Committees will hold a work session on the district programs with presenations by the Office of Coastal Management.
HCRA Committee Room, Capitol Building, Rm. 112.

2/21/80 1:00-3:00 p.m. Senate CRA Committee Public Hearing regarding district coastal programs and related policy and implementation issues. A copy of Committee concerns is attached. In advance of this session interestested parties are invited to submit written comments on policy and implementation concerns. Public testimony is encouraged on district programs.

2/28/80 1:30 p.m. Senate C/RA Additional comments, if any, on the district programs and action meeting.
SCRA Committee, Rm. 207, Capitol Building

SCR

52

COMMITTEE REPORT

SENATE

FURTHER: None

2/28/80

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 52
Endorsing an action of the Alaska Coastal Policy Council

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 [ ] new title

and reccmmends _____ _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Bob McLaughlin

Tony Nakazawa

MEMBERS HAVING OTHER RECOMMENDATIONS:

Reuben Stoll

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Office of the Secretary
January 24, 1980

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

From: Secretary of the Senate

Subject: Coastal Management Program for the Municipality of Anchorage, City of Haines and Annette Islands Indian Reserve

The President this date referred the following reports to your committee in accordance with the enclosed letter:

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Haines Coastal Management Plan and Office of Coastal Management Summary of Revised Findings and Conclusions January 4, 1980

Annette Islands Coastal Management Program and the Office of Coastal Management Summary of Findings and Conclusions of January 4, 1980

Encls: Letter
3 Reports w/ attach.

Senate C/RA

Committee Log Book - 1980

Tape Number XII

Side Number (1)

Chairman A. Sturgulewski

Committee

Mbs Present: Sens. Stimson, Mulcahy

Dates 2-28-80 to _____

Bill Numbers Discussed

Coastal Zone	Res. SCR: 51, 52, 53, 54						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-28-80 1:35	008		Mtg. called to Order.
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	220		Sen. Stimson
	269		Sen. Sturgulewski - Public Input/approach re Anch. Munic. Plan
	300		Roger Allington - "Concept"
	391	SCR 51	Sen. Stimson Moves to Pass
	401	SCR 52	Lance Boxsley - Natural Resource Center, Metlakatla Annette Island Ind. Reserve
	438		Sen. Sturgulewski - re Beneficial
	456		Sen. Mulcahy - Moves to Move Out
	484	SCR 54	Roger Allington - Extra territorial planning & Interp. of Plans
	554	"	Sen. Stimson Moves to Pass
	579	SCR 53	Murray Walsh, Coastal Mgmt, re Regs, when Post yes
	610	"	Sen. Stimson Moves Pass Out
	614		Sen. Sturgulewski
	633		James Cook - Resol & regs re Constitutionality & Legality
	707		Murray Walsh - AG's Memo - CSH Bill Conc.

CCR

740 Sen. Sturgulewski & Tamara Cook on what Curtis will do.

766 Roger Allington

Ginny Chitwood

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

_____ 2-8

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
Steve Johnson	1211 W. 5th Juneau	Self
Jon Hallquist	Box 179 - Haines	City of Haines
Tony Bevins	Planning Dept Pouch E Juneau, Alaska 99811	Municipality of Anchorage
Jane Bouskey	Natural Resource Planner Box 348 Metlakatla, AK.	Annette Islands Indian Reserve

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2/8/80 8:30-10:00 a.m.. Joint House-Senate CRA Committees will hold a work session on the district programs with presenations by the Office of Coastal Management.
HCRA Committee Room, Capitol Building, Rm. 112.

2/21/80 1:00-3:00 p.m. Senate CRA Committee Public Hearing regarding district coastal programs and related policy and implementation issues. A copy of Committee concerns is attached. In advance of this session interestested parties are invited to submit written comments on policy and implementation concerns. Public testimony is encouraged on district programs.

2/28/80 1:30 p.m. Senate C/RA Additional comments, if any, on the district programs and action meeting.
SCRA Committee, Rm. 207, Capitol Building

SCR

53

COMMITTEE REPORT

SENATE

FURTHER: None

2/28/80

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 53

Approving an amendment to a regulation adopted by the Alaska Coastal Policy Council

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[✓] referred to the as follows Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____
CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XII

Side Number (1)

Dates 2-28-80 to

Chairman A. Sturgulewski
Committee

Mbs Present: Sens. Stimson, Mulcahy

Bill Numbers Discussed

Coastal Zone		Res. SCR: 51, 52, 53, 54						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-28-80 1:35	008		Mtg. Called to Order
	129		Sen. Mulcahy
	146		Tony Burns - CstL Mgmt
	184		Sen. Mulcahy
	220		Sen. Stimson
	269		Sen. Sturgulewski - Public Input/approval re Anch. Munic. Plan
	300		Roger Allington - "Concept"
	391	SCR 51	Sen. Stimson Moves to Pass
	401	SCR 52	Lance Boxley - Natural Resource Center, Metlakatla Annette Island Ind. Reserve
	438		Sen. Sturgulewski - re Beneficial
	456		Sen. Mulcahy - Moves to Move Out
	484	SCR 54	Roger Allington - Extra territorial planning & Interp. of Plans
	554	"	Sen. Stimson Moves to Pass
	579	SCR 53	Murray Walsh, Coastal Mgmt, re Regs, when Post yes
	610	"	Sen. Stimson Moves Pass Out
	614		Sen. Sturgulewski
	633		Tamera Cook - Resol & regs re Constitutionality & Legality
	707		Murray Walsh - AG's Memo - Cstl Bd Cnc

CCC

740 Sen. Sturgulewski & Tamara Cook on what Courts will do.

766 Roger Allington

Ginny Chitwood

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

_____

_____

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
Steve Johnson	124 W. 5th Haines	Self
John Hallinan	Box 179 - Haines	City of Haines
Tony Burns	Planning Dept Box 1209 Haines 99827	Municipality of Anchorage
Vince Druskey	Natural Resource Director Box 318 Hydaburg 46.	Hydaburg Islands Indian Reserve

NOTICE

The Senate Community and Regional Affairs Committee will hold a series of three meetings regarding legislative approval of three district coastal management programs--Haines District Coastal Management Program, Annette Islands District Management Program, and Anchorage Municipal District Coastal Management Program.

2/8/80 8:30-10:00 a.m.. Joint House-Senate CRA Committees will hold a work session on the district programs with presenations by the Office of Coastal Management.
HCRA Committee Room, Capitol Building, Rm. 112.

2/21/80 1:00-3:00 p.m. Senate CRA Committee Public Hearing regarding district coastal programs and related policy and implementation issues. A copy of Committee concerns is attached. In advance of this session interestested parties are invited to submit written comments on policy and implementation concerns. Public testimony is encouraged on district programs.

2/28/80 1:30 p.m. Senate C/RA Additional comments, if any, on the district programs and action meeting.
SCRA Committee, Rm. 207, Capitol Building

SCR

54

COMMITTEE REPORT

SENATE

FURTHER: None

Date: 2/28/80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 54

Approving the district coastal management program of the City of Haines

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Lowell Thomas

Fred Zharkoff

MEMBERS HAVING OTHER RECOMMENDATIONS:

Arliss Sturgulewski

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Office of the Secretary
January 24, 1980

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

From: Secretary of the Senate

Subject: Coastal Management Program for the Municipality of Anchorage, City of Haines and Annette Islands Indian Reserve

The President this date referred the following reports to your committee in accordance with the enclosed letter:

Municipality of Anchorage Coastal Management Program (Fi 1 report April 1979 Volume II, Office of Coastal Management Summary of Revised Findings and Conclusions, and the Final Report September 1979 of the Coastal Management Program

Haines Coastal Management Plan and Office of Coastal Management Summary of Revised Findings and Conclusions January 4, 1980

Annette Islands Coastal Management Program and the Office of Coastal Management Summary of Findings and Conclusions of January 4, 1980

Encls: Letter
3 Reports w/ attach.

Senate C/RA

Committee Log Book - 1980

Tape Number XII

Chairman A. Sturgulewski
Committee

Side Number (1)

Mbs Present: Sens. Stimson, Mulcahy

Dates 2-28-80 to _____

Bill Numbers Discussed

Coastal Zone			Res. SCR: 51, 52, 53, 54					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-28-80 1:35	008		Mtg. Called to Order
	129		Sen. Mulcahy
	146		Tony Burns. - CstL Mgmt
	184		Sen. Mulcahy
	220		Sen. Stimson
	269		Sen. Sturgulewski - Public Input/approval re Anch. Munic. Plan
	300		Roger Allington - "Concept"
	391	SCR 51	Sen. Stimson Moves to Pass
	401	SCR 52	Lance Bousley - Natural Resource Center, Metlakatla Annette Island Ind. Reserve
	438		Sen. Sturgulewski - re Beneficial
	456		Sen. Mulcahy - Moves to Move Out
	484	SCR 54	Roger Allington - Extra territorial planning & Interp. of Plans
	554	"	Sen. Stimson Moves to Pass
	579	SCR 53	Murray Walsh, Coastal Mgmt, re Regs, when post
	610	"	Sen. Stimson Moves Pass Out
	614		Sen. Sturgulewski
	633		Tamara Cook - Resol & regs re Constitutionality & Legality
	707		Murray Walsh - AG's Memo - Cstl Pol Cnc

CCC

740 Sen. Sturgulewski & Tamara Cook on what Burns will do.

766 Roger Allington

Ginny Chitwood

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

_____ 1-8

NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
Steve Johnson	121 W. 5th Juneau	Self
Jon Hallquist	Box 179 - Haines	City of Haines
Tony Buerra	Planning Dept Box 210 Ft. Yukon, Ak 99740	Municipality of Anchorage
Vince Beasley	Natural Resource Director Box 318 Mekoryuk, Ak.	Hooper Islands Indian Reserve

NOTICE

The Senate Community and Regional Affairs Committee will hold a series of three meetings regarding legislative approval of three district coastal management programs--Haines District Coastal Management Program, Annette Islands District Management Program, and Anchorage Municipal District Coastal Management Program.

2/8/80 8:30-10:00 a.m. Joint House-Senate CRA Committees will hold a work session on the district programs with presenations by the Office of Coastal Management.
HCRA Committee Room, Capitol Building, Rm. 112.

2/21/80 1:00-3:00 p.m. Senate CRA Committee Public Hearing regarding district coastal programs and related policy and implementation issues. A copy of Committee concerns is attached. In advance of this session interestested parties are invited to submit written comments on policy and implementation concerns. Public testimony is encouraged on district programs.

2/28/80 1:30 p.m. Senate C/RA Additional comments, if any, on the district programs and action meeting.
SCRA Committee, Rm. 207, Capitol Building

SCR
64

Committee Log Book - 1980

Tape Number XX11

SENATE C/RA

Committee

Side Number 1 & 2

PRESENT: Senators Mulcahy, Rodey, Chairman Sturgulewski

LATE: Senators Stimson and Kelly

Dates 4/15/80 to --

Bill Numbers Discussed

CSHB 550	SB 546								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p. 4/15/80	005	CSHB 550	Chairman Sturgulewski opened meeting & gave a
			brief summary
	029		Representative Joyce Munson, Sponsor
	123		Sen. Rodey / Traffic lights owned by city?
	188		Mike Thompson, Anchorage Municipality Traffic Div.
	208		Sen. Rodey questioned past cooperation/coordination
			between State and Municipality
	242		Ron Lind, Dept. of Transportation & D.P. - No Objections
	250		Mitch Gravo, Anchorage Municipality. Support bill
	281		Senator Rodey moved to "do pass" no objections..
	300	RES.	Summary / resolution requesting Gov. to direct
			Dept. Fish & Game to conduct study relating to the restocking of Anchorage lakes. COMM. INTRODUCE??
			by Sen. Rodey No objections for Committee introduction.
	373	RES	Summary / Utility Revolving Loan Fund / by Sen.
			Sturgulewski. No objections to Comm. introduction.
	405	SB 546	Capitol Foundation Program
	536		Marge Gorsuch, AA Hs. C/RA
	449		Jim Rhodes, AA Rep. Malone / Formula Summary
SIDE 2 ---------	159		Sen. Kelly objects to formula base
	221		Meeting adjourned.

NO ACTION TAKEN

SCR

66

COMMITTEE REPORT

SENATE

FURTHER: None

4/25/80

Date: 4-29-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 66

Directing the Alaska Legislative Council to revise AS 29

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 [ ] new title

and recommends _____

[ ] 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:

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXV

SENATE C/RA

Committee

Side Number 1

Dates 4/29/80 to --

PRESENT: Chairman Sturgulewski, Senators Kelly, Stimson, Mulcahy and Rodey.

Bill Numbers Discussed

SCR 66	CSSB 562	CSHB 192 am							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:40	005	SCR 66	Chairman Sturgulewski reviews SCR 66
	(063)		Recorder started to work better....
	124		Senator Rodey
	140		Senator Rodey moved to "do pass"
	154	CSSB 562	Chairman reviews SB 562
	193		Senator Mulcahy
	228		Representative Osterback
	288		Dep. Commissioner Marie Matsumo/ Dept. C/RA
	399		Chairman Sturgulewski and Murray Walsh/ Coastal mgmt.
	446		Sen. Rodey - REAA's
			Chairman Sturgulewski, Veronica Clark - Dept. C/RA
			Sen. Stimson
	558		Senator Mulcahy moves to pass CSSB 562
	580	CSHB 192	Chairman Sturgulewski, and Representative Gardiner
	753		Representative Gardiner suggests amendment
	138		Chairman Sturgulewski referred action to next date
			Discussion re Jack Krienharter/ amendments devised by Rep. Rogers, etc.
	456		Larry Crawford/ Gene Husick of Anch. Municipality
	760		Chairman Sturgulewski re scheduling for more work..

Side 2

Committee Log Book - 1980

Tape Number XXIV

SENATE C/RA - Chairman Sturgulewski

Side Number 1

Committee
Mbrs: Senators Mulcahy, Kelly, Stimson, Rodey
All members present. Sen. Rodey came in late.

Dates 4/24/80 to --

Bill Numbers Discussed

CSHB 782									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/24/80 1:40	001	782	Sen. Sturgulewski on CSHB 782
	040	"	John Scribner/DOT/PF
	117	"	Terry Earley, Dept. C/RA - no spec. comments
	132		Chairman Sturgulewski, Section by Section
	139		Royce Weller, Representative Malone's Office
	159		Section 1
	194		" 2
	201		" 3-4-5
	280		Senator Kelly, Chrmn. Sturgulewski, Royce State's Authority
	300		Section 6
	327		Chrmn. Sturgulewski reads statutes
	362		Section 7
	398		Section 8
	407		Section 7
	425		Chrmn. Sturgulewski - Section 9, 10, 11, 12
	469		Sen. Rodey explains "royalties"
	489		Section 12
	495		Chrmn. Sturgulewski
	514		Sen. Stimson - Procedure explanation
	567		"DO PASS" move
	581		Sen. Sturgulewski — Day Care Assistance
Title 29	— 612	New Subj.	Sen. Sturgulewski — C/RA Consideration-introduce Title 29 Resolution

SUGGESTED AMENDMENT



Line 21, and following to page 2, line 9:

BE IT RESOLVED by the Alaska State Legislature that under the provisions of AS 24.20.090 and Uniform Rule 48(c) the Alaska Legislative Council is directed to prepare a revision of Title 29 of the Alaska Statute (Municipal Government) by directing the legal services division of the Legislative Affairs Agency to prepare the revision with the assistance of a policy advisory group representative of the concerned public from all areas of the state and a working group of persons experienced in the application of AS 29, and soliciting the advice of the Alaska Code Revision Commission; and be it

FURTHER RESOLVED that the policy advisory group consist of two members of each House of the Legislature appointed by the presiding officer and other members selected by the presiding officers of each house from persons recommended by legislative members, by the Department of Community and Regional Affairs, the Alaska Municipal League, the Rural Alaska Community Action Program, Inc., and other interested parties; and that the working group consist of municipal attorneys, municipal managers, municipal clerks or other municipal staff, appointed by the director of legal services of the Legislative Affairs Agency, representatives of the Departments of Community and Regional Affairs and Law and a member of the staff of the legal services division; and be it

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (Revised)

I. REQUEST

Bill/Resolution No. SCR No. 66 & HCR No. 70

Title Directing the Alaska Legislative Council to revise AS 29

Requested by _____ Date 5/12/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Legal 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)

		Option 1 FY 81	Option 2 FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	14.0	7.0	-0-	-0-	-0-	-0-
200	TRAVEL	37.8	37.8	-0-	-0-	-0-	-0-
300	CONTRACTUAL	1.0	1.0	-0-	-0-	-0-	-0-
400	COMMODITIES	1.0	1.0	-0-	-0-	-0-	-0-
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	53.8	46.8	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	53.8	46.8				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME	1	1				
TEMPORARY						

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

Personal Services - Option 1 Range 14 - 6 mos = $13,986 Option 2 Range 14 6 mos. half-time = $6,993

Travel - Advisory group (3 meetings for 12 people @$451 travel/per diem-------- = 16,236
Working group (8 meetings for 6 people @$451 travel/per diem --------- = 21,648

Contractual - $1,000 for miscellaneous printing and other costs ---------- 1,000

Commodities - $1,000 for office supplies ---------- 1,000

IV. DATE 5/12/80 PREPARED BY Richard W. Berg, Director

AGENCY Legislative Affairs Agency

PHONE 465-3350

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

33-001 (Rev. 12/79)

Requested by _____ Date 4/15/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

Budget Request Unit(s) Affected Legal Services

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES			24.0	-0-	-0-	-0-
200	TRAVEL			55.9	-0-	-0-	-0-
300	CONTRACTUAL			5.0	-0-	-0-	-0-
400	COMMODITIES			2.0	-0-	-0-	-0-
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL			86.9	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND			86.9	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME			1	-0-	-0-	-0-
TEMPORARY						

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

Personal Services - Range 14 for 9 months.
Travel - Advisory group (3 meetings for 20 people at $451 travel/pd) = $27,060
Working group (8 meetings for 8 people at $451 travel/pd) $28,864
Contractual - $5,000 for miscellaneous printing and other costs
Commodities - $2,000 for office supplies.

IV. DATE 4/17/80 PREPARED BY Richard G. Bard, Director

AGENCY Legislative Affairs Agency

PHONE 465-3850

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

project. A draft bill will be ready for January 1981.

It is anticipated that $20,000 should cover the cost of this project. Any funds remaining would be returned.

Thank you for your attention to this matter.

April 28, 1980

J. D. Nordale
Borough Attorney
Fairbanks North Star Borough
Box 1267
Fairbanks, Alaska 99707

Dear Jim:

Enclosed is a copy of SCR 66 which directs the Alaska Legislative Council to revise AS 29, Municipal Government. I'm also attaching a copy of my March 31 memo to Senator Clem Tillion which spoke to this issue. The Senate Concurrent Resolution was drawn as a result of that memorandum. The fiscal note is much higher than I anticipated, however, I think it is important that there be an advisory group and working group, and that funds be provided to bring people together.

I would appreciate whatever support you can lend to see the passage of SCR 66. I will be contacting the House Community and Regional Affairs Committee to request that they introduce a similar resolution on their side, and expedite it as fast as possible through the system. I will be bringing SCR 66 to the Senate Community and Regional Affairs Committee Tuesday, April 29.

Kindest personal regards,

Arliss Sturgulewski
Senator, District 10-H

Enclosure

FAIRBANKS NORTH STAR BOROUGH

Box 267, Fairbanks, Alaska 99707

April 1, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Re: Municipal Code Revisions

Dear Arliss:

Both because of Alan Teshe's letter of March 18 to you and a recent conversation with Ginny Chitwood, I would urge you to make every effort to provide for the interim review of AS 29. I would urge that the Alaska Municipal League be a participant in the review process either as a contractor, a co-sponsor or in some other capacity. Based upon the discussions at the Local Government Symposium as well as comments received by the Joint House-Senate C & RA hearings, I think that participation from the unorganized borough is desirable.

A good deal of the criticism of and antagonism toward local government stems from inflexibility in portions of the code and vagueness in other parts. The writers of the Constitution were wise in their recognition that strong and flexible local government could best meet the needs of the diverse areas of this state. Too often local governments are unable to respond effectively because of unrealistic restrictions imposed by the state.

I hope that there is something that you can do to accomplish this review, and if I can be of any assistance, please let me know.

Very truly yours,

J. D. Nordale
Borough Attorney

JDN/sy

Twila copied

Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246
BOROUGH ATTORNEY'S OFFICE

March 18, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
State Capital
Juneau, Alaska 99811

Dear Arliss:

Re. Municipal code revisions.

Attached with this letter is a list of examples of various provisions of Title 29 which should be clarified through revision of that title. This list is by no means exhaustive and I am sure that other attorneys and municipal officials throughout the state could add additional examples and support a thorough revision of Title 29.

As we discussed some time ago in Juneau, I recommend that the Legislature form an interim committee to review AS 29 during the next two years and that the committee be empowered to seek assistance from municipal attorneys throughout the state, hold hearings as it deems appropriate, and present a new municipal code to the Legislature in 1981 or 1982. I have received expressions of support from attorneys representing several municipalities throughout the state and am confident they will assist the Legislature in preparing a revised municipal code.

Thank you very much for your continued attention to this matter. If there are additional questions I can answer regarding Title 29 or if the Legislature is prepared to take action in this matter, please do not hesitate to contact me.

Cordially,

Allan E. Tesche
Borough Attorney

er

cc: Jerry Wertzbaugher
Tom Klinkner
Jim Nordale
Russ Walker
Lee Sharp

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 constitional 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 housekeeping 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.

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

LAW OFFICES OF
RICHARD W. GARNETT III

THOMAS F. KLINKNER
SUITE 540, 900 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

TEL. (907) 276-2221

December 5, 1979

Senator Arliss Sturgulewski
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Arliss:

I appreciated the opportunity to attend your discussion group on local government in rural Alaska, and thank you for sending me a copy of the report resulting from that session. I regret that I have not responded sooner to your request for implementation proposals.

While it certainly is not an essential prerequisite to the program you propose, I suggest that you consider as a complementary project a thorough technical revision of Title 29 of the Alaska Statutes. As an attorney for general law municipalities who has had substantial experience working with Title 29, I frequently am exposed to its legal inadequacies as a charter for the operation of small municipalities. Title 29 is at once too vague to be helpful in some areas and too restrictive in others. A new rural municipality can ill afford the added expense of developing a home rule charter and detailed municipal code merely to avoid the deficiencies of Title 29. While the structure of local government organization under Title 29 is basically sound, many of its procedural and administrative provisions do not provide the support and instruction that those who administer small, rural municipalities require.

I believe that if there were support for the project in the legislature it would not be difficult to assemble a committee of attorneys and others with day to day experience in the operation of general law municipalities to undertake a revision of Title 29 to make it more useful to those who operate under it-generally the smaller, more rural municipalities in the state.

LAW OFFICES OF
RICHARD W. GARNETT III

Please let me know if you would be interested in pursuing such a project.

Yours truly,

Thomas F. Klinkner

Thomas F. Klinkner

TFK:pac

File: Title 29
Revision

(1) need for a CRA file that we can tuck in stuff re revisions in Title 29. These are for background only

9/

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

Tabled 10-1

ANCHORAGE, ALASKA
AO NO. 79-138

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO ARTICLE II OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Article II of the Home Rule Charter for the Municipality of Anchorage be amended by addition of a new subsection (14) to read as follows:

(14) The right to free and unfettered access to an Assemblyman on any issue or matter before the Assembly.

Section 2. As the current wording of Article II of the Charter would not be changed by addition of a new subsection (14), the existing provisions of Article II need not be indicated on the ballot proposition.

Section 3. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 4. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-139

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 3.02(d) OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 3.02(d) of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

(d) An initiative petition is void if the Assembly enacts substantially the same measure prior to the election. A referendum petition is void if the Assembly repeals the ordinance in question prior to the election.

The present language of Section 3.02(d) of the Charter reads as follows:

(d) An initiative petition is void if the Assembly enacts an identical meaure prior to the election. A referendum petition is void if the Assembly repeals the ordinance in question prior to the election.

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular

election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-140

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 4.04(d) OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 4.04(d) of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

(d) voting shall be by roll call, electronic device or other public method as defined by Assembly Rule. The votes of all Assemblymen shall be recorded.

The present language of Section 4.04(d) of the Charter reads as follows:

(d) Except on procedural motions, voting shall be by roll call or electronic device, and the votes of all assemblymen shall be recorded.

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-141

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 9.01 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 9.01 of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

Section 9.01 Service Areas

(a) A service area to provide special services may be established, altered or abolished only by ordinance ratified by a majority of the qualified voters voting on the question who reside in the area where the special services are to be established, altered or abolished, or, if no qualified voter resides in that area, by the written consent of all owners of real property in that area; provided that the Assembly by ordinance may require that voters in a larger area vote on the question. The Assembly by ordinance may consolidate service areas providing substantially the same level of special services.

(b) The Assembly by ordinance shall adopt procedures for establishing, altering, abolishing and operating service areas. The Assembly may provide for appointed or elected boards of supervisors to supervise the

furnishing of special services in service areas. Special services provided in a service area shall be financed by a uniform tax levy within the area.

(b) Special services are services not provided on an areawide basis throughout the municipality, or services provided at a higher or different level than provided on an areawide basis throughout the municipality. Special services do not include the exercise of regulatory powers as determined by the Assembly.

The present language of Section 9.01 of the Charter reads as follows:

Section 9.01 Service Areas

(a) A service area may be created, altered, or abolished only with the approval of a majority of those voting on the question within the area affected, or, if no qualified voter resides within the area, with the written consent of the owners of all real property within the area affected. However, the Assembly, by ordinance may consolidate service areas in which services are provided by the municipality at the same level in each of the areas to be consolidated.

(b) The Assembly by ordinance shall adopt procedures for creating, altering, abolishing and operating service areas. Services provided in a service area shall be financed by a uniform tax levy within the area.

(c) The Assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas.

Section 2 Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Attorney

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-142

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 9.02 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 9.02 of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

Section 9.02 Assessment Districts

(a) The assembly by ordinance may establish assessment districts to provide and finance capital improvements specially benefiting real property. Assessments shall be proportionate to the special benefit received from the improvement. The assembly by ordinance shall prescribe uniform criteria for allocating the cost of the improvement within an assessment district.

(b) An assessment district may be created or extended only with the approval of the property owners who would bear more than 50% of the estimated cost of the improvement. An assessment district may be dissolved by assembly resolution at any time after the district's share of the cost of the improvement has been paid.

The present language of Section 9.02 of the Charter reads as follows:

Section 9.02 Assessment Districts

(a) The Assembly by ordinance may establish assessment districts to provide and finance capital improvements by means of an assessment, or services by means of a tax levy. The assessment or levy shall be proportionate to the benefit received from and the burden imposed upon the improvement or service. The Assembly by ordinance shall prescribe uniform criteria for allocating the cost of the improvement or service within an assessment district.

(b) An assessment district may be created or extended only with the approval of the property owners who would bear more than fifty per cent (50%) of the estimated cost of the improvement or service. An assessment district created to finance a capital improvement may be dissolved by Assembly resolution at any time after the district's share of the cost of the improvement has been paid. An assessment district created to finance a service may not be dissolved without the approval of the property owners who bear more than fifty per cent (50%) of the cost of providing the service.

(c) A special assessment for capital improvements, with interest and collection charges, is a lien on the property assessed, second only to property taxes and prior special assessments.

(d) A special assessment may not be contested by civil action unless the action is brought within sixty (60) days after confirmation of the assessment roll.

(e) An account or accounts for each special assessment district shall be created and kept separate from all other municipal accounts. Revenues collected within a special assessment may be applied only to costs incurred with respect to that assessment district.

Section 2 Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this

ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Clerk

For Against 1-10

Chase Bair
Heath Knowles
Mark Rose
Byrd Brannon
Lekisch
Jones mael
South

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-143

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 18.01 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 18.01 of the Home Rule Charter for the Municipality of Anchorage be amended to read as follows:

Section 18.01 Vote Required

This Charter may be amended only upon the concurrence of a majority of the qualified voters of Anchorage voting on a proposed amendment.

The present language of Section 18.01 of the Charter reads as follows:

Section 18.01 Vote Required

This Charter may be amended only upon the concurrence of a majority of the qualified voters of Anchorage voting on a proposed amendment, except that a proposed amendment which would diminish any right referred to in Article II or any provision of Section 16.02 requires approval by three-fifths (3/5) of the qualified voters voting on the amendment.

60%

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 3. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-144

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO SECTION 17.13 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Section 17.13 of the Home Rule Charter for the Municipality of Anchorage be amended by addition of a new subsection (e) to read as follows:

(e) "interest in lands" means any estate in real property or improvements thereon excluding revocable permits or licenses, rights of way, or easements which the Assembly finds to be without substantial value to the Municipality.

Section 2. As the current wording of Section 17.13 of the Charter would not be changed by addition of a new subsection, the existing provisions of Section 17.13 need not be indicated on the ballot proposition.

Section 3. Upon the effective date of the amendment to the Charter proposed herein, the existing subsections of Section 17.03 of the Charter shall be redesignated alphabetically.

Section 4. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 5. This ordinance shall become effective immediately upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Introduced by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading: July 31, 1979

ANCHORAGE, ALASKA
AO NO. 79-145

AN ORDINANCE PROVIDING FOR THE SUBMISSION OF A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE OCTOBER 2, 1979 REGULAR ELECTION PROPOSING AN AMENDMENT TO ARTICLE 17 OF THE HOME RULE CHARTER FOR THE MUNICIPALITY OF ANCHORAGE.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. A ballot proposition containing the following language shall be submitted to qualified voters at the regular election set for October 2, 1979:

PROPOSED CHARTER AMENDMENT

Shall Article 17 of the Home Rule Charter for the Municipality of Anchorage be amended by deletion of Section 17.06?

The present language of Section 17.06 of the Charter reads as follows:

Section 17.06 Notice of Claims

The Municipality shall not be liable in damages for injury to person or property by reason of negligence or gross negligence unless, within four (4) months after the injury occurs, the person damaged, or his representative, serves written notice on an officer upon whom process may be served. The notice shall state that the person intends to hold the municipality liable for damages. It shall set forth with clarity the time and place of the injury, the manner in which it occurred, the nature of the act or defect complained of and the extent of the injury so far as known, and the names and addresses of witnesses known to be the claimant. The Assembly by ordinance may provide for exceptions to the requirements of this section for the administration of minor and routine claims.

Section 2. Upon the concurrence of a majority of the qualified voters voting on the amendment proposed in this ordinance and thirty days after certification of the regular election of October 2, 1979, this amendment shall become effective.

Section 4. This ordinance shall take effect upon passage and approval.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1979.

_____
Chairman

ATTEST:

_____
Municipal Clerk

Who owns land
Are there residents
Never requires public hearing

The Development City concept by itself changes the values and practices that have built our free enterprise system.

In the past, the self sufficient family farm has been accepted as the necessary first step to developing an economy in undeveloped land.

The Development Cities Act, on the other hand, allows major developers to control and develop large resources with no concern or participation to the family unit who seeks (now more than ever) the security and satisfaction of being self supporting and controlling their own destiny.

My wife and I on that basis alone object to development cities entirely.

In my presentation this morning, however, I will approach the Act solely from the viewpoint of protecting Alaska interest within the Development City context.

The law in general must separate clearly the city and the developer and their relationship to each other, allowing the city to be an entity in itself, open to the general public and commerce.

29-10-220 LEGISLATIVE FINDING

We now have new information from Afognak City's first attempt. This information has created new questions that are not adequately dealt with under the existing law. It is my opinion that law as it is written is grossly deficient in protecting Alaska's interest and dealing with social and economic needs of our State.

29-18-230 to 29-18-340

This section of the law deals with procedures of the petitioner which must be made to include financial investigation of the petitioners over the previous ten years in order to develop a reasonable assurance that the petitioner has the management experience, stability and capital to execute such an undertaking to a desirable conclusion.

29-18-340 DEVELOPMENT CITY COUNCIL

It is clear that the governor has complete control of the city, with the city council serving at his pleasure. The city council members do not have to be residents during the first five years. A developing city is going to need a city council which is present and public to deal effectively with actual growth and need of a city just getting off the ground. Further, after being appointed, the city council should serve at no one's pleasure other than their public, and all members elected after they have their first forty permanent residents with specific language used to tie down who and who is not a permanent resident.

It is important here to look down the road a bit and realize the power that would be given the governor if, perhaps, ten to fifteen of these cities are being developed and all at the control of one governor, with the possibility of major developers coming

clearly not in the public interest.

A city council must live in the development city and be available to the public. The law as it reads now doesn't even say the city council has to be in Alaska. This means that a citizen would be required to pay long distance rates to talk to his appointed rulers.

29-18-380 PROCEDURES -

This allows no public participation of any kind. It has been suggested that the meetings be put on public address systems, but this would still severely hamper the needed exchange between the community and its appointed rulers.

29-18-390 DEVELOPMENT OF CITY CAPITAL IMPROVEMENT FUND

This should be clarified to specific purposes and be implemented in stages as required by specific development. For example, the needs for fun in a paper stage will be different from those of implementation.

29-18-400(4) Correct

This section should read "appointed from the public by the governor, not "nominated by the developer".

29-18-360(2) POWERS AND DUTIES

This section isolates the development city from existing borough planning if one exists. Therefore, there is no recourse for the general geographic area and existing economy to participate in decisions that might affect them, i.e., offshore experimental drilling facility in Afognak Bay, which is a reasonable assumption if Afognak City is there with the dock facility which the Afognak Native Corporation plans to build. The impact would certainly affect all of Kodiak Island Borough.

29-18-430 REVENUE BOND - indiv. have option to Buy into it.

Some consideration must be given to existing residence. In the initial petition, the eighty-five of us presently living there became 1/85 of the taxable tax base and 1/85 of the liability of a $2 million project. ANCSA 21(d) states that Native lands are not taxable and (22) miscellaneous states that no liens, exclusions or judgments of any kind can be executed within twenty years.

State is supporting one w/ state tax money

Further, each revenue bond must show its relevance to the city sector as opposed to corporation development. This particular train of thought should be questioned throughout the Act. Our purpose and (improvements on land at end 75 yrs ~~tax dollars~~) should be spent to aid in the cost of the city, and not in the development of the resource. In a case where the purpose of a facility services both, the cost should be divided between the city and the developer proportionally.

EXAMPLE

If a city dock that would serve the city alone could be built for $500, but to meet the needs of the developer must now cost $2,000. The developer should have to generate $1500 capital outside of the bonds. My concern here is the (tax liability of the bond on the city wrong - on the bk. corp etc.) should the industry fail to be profitable and the collateral not redeemable as under ANCSA (22) or not of sufficient value to satisfy its creditors. It appears to me that if the debts are kept reasonable that city could possibly survive the loss of its major developer by participating in existing economics such as fishing. On the other hand, if town liabilities are allowed to far exceed those of a realistic population projections ability to handle the city would most probably end up a ghost with many

citizens losing their shirts, as well as their dreams.

29-18-450 APPLICABILITY OF OTHER PROVISION OF THIS TITLE

This paragraph was not applied nor adhered to in Community and Regional Affairs' administration of the Act as it applied to the Afognak City's first petition, though it sheds a lot of light on the intent and composition of the Act. In its sweeping centralization, however, it creates contradiction within the law itself.

EXAMPLE

this should be diff if there are res. & ...

29-18-050(8) THE PROVISION FOR A FIRST CLASS CITY INCORPORATION

The signature and residence address of 50 permanent resident voters within the proposed municipality, which with eighty-five residents as applicable and Title 29-18-240 are both in Chapter 18. Hence, 29-18-240 has to be improved and clarified giving guidelines for public participation under a democratic government, as the character of its location changes from unpopulated - no existing economy - to populated with existing economies population and borough government. Dudhoff follow inc stand because of diff. pressures there are no people.

First and most important, there is no provision under the law that necessitates the establishment of public sector. There must be land made available to the general public and general business community.

This land must in no way be controlled by the developers other than its original planning and zoning. Land should be sold at a fixed percentage above cost and a provision requiring development within a given time to discourage land speculation. My concern here is that the law permits the possibility of Alaska's future growth to be exactly like Prudho Bay, where a group of corporations owns

public at the public's own discretion. Finally, I feel the State or petitioner should advertise the new city to the national business community, asking for their economic participation in fields other than that of the founding developer. For example, offshore oil exploration drilling support facilities and bottom-fishing processors are very real possibilities in the Afognak City and would go a long way in ensuring orderly development of well planned, diversified and economically sound new cities necessary to support the sound development of the State resources by both private and public sector.

Southeast Alaska Empire, Juneau, Alaska,

SOUTHEAST ALASKA EMPIRE

Monday, March 12, 1979

Letters

Land Question

Dear Editor:

Last week Jack Anderson's nationally syndicated column included the disturbing statement that "Federal investigators are convinced that Koniag, Inc., has attempted fraudulently to obtain more than 600,000 acres of valuable land it is not entitled to." Koniag, with headquarters in Kodiak, is one of the defendants in a pending court suit that contends that one of Koniag's certified villages was erroneously created through mistake or fraud. The contested village corporation, Lesnoi (Woody Island), was the subject of a November article in the Alaska Advocate. The Advocate described a court deposition from a Lesnoi enrollee, who stated that the affidavit she signed to enroll in the village was not true and that she "never lived there;" a deposition from the BIA investigator who recommended certification; and a deposition from a 33-year Woody Island resident, indicating that no native village existed on Woody Island in 1970.

On the other hand, in a letter to Congressman Morris Udall, Edward Weinberg, attorney for Koniag, labelled the charges "bunk" and "the screams of the disappointed."

The issues are important: part of the contest involves the fate of 320,000 acres on Afognak Island. Afognak is national forest land, but—for the proposed Koniag amendment in pending d-2 legislation—Koniag would not be allowed to claim the land under the Claims Settlement Act. Another part of the amendment would have Congress certify seven villages that were originally declared ineligible by the Secretary of Interior.

Because the charges are so serious, the public deserves to know the truth about them. For the good of everyone concerned with the Claims Settlement Act, all the evidence should be exposed to the public scrutiny. We have the right to expect our legislators to be interested in seeking the truth through a full hearing. I urge every concerned citizen to write Senator Ted Stevens and Congressman Don Young, asking them to call for Congressional hearings into the land claims issue on Kodiak. The truth can only benefit us all.

Sincerely,
Pat Szabo

ANCHORAGE DAILY NEWS

WASHINGTON merry-go-round

Land juggling in Alaska

By JACK ANDERSON

WASHINGTON — Koniag Inc. is a Native Alaskan development corporation that federal investigators believe has attempted one of the biggest public-lands ripoffs of this century. Evidence gathered by the Justice and Interior Departments indicates that Koniag claimed more than 600,000 acres of valuable government land for "phantom" Native villages that exist only on paper.



A federal grand jury indictment of some of the parties involved was quashed by a former Bureau of Indian Affairs official. So we sent our associate Hal Bernton on an investigative foray into Alaska, where he dug up the facts.

KONIAG CLAIMED the land under provisions of the 1971 Alaska Native Claims Settlement Act. The law was designed to give the state's Eskimo, Aleut and Indian population an economic base with which to ease their transition from the isolated village life of their ancestors to the realities of the 20th century.

But the driving force behind Koniag Inc. is no simple, semi-literate Eskimo fisherman or Indian trapper. He is an articulate, acerbic ex-newspaper editor with a talent for lobbying and a weakness for alliterative invective toward anyone who crosses him. His name is Karl Armstrong and he is Koniag's executive vice president.

When residents of Kodiak banded together to fight Koniag's attempted land grab, Armstrong described the Citizens Action Group in a local newspaper he helped to found as a "mysterious mob of malcontents making malicious mischief through misleading information."

HE ADDED DARKLY: "It is not easy to find out just what this weird secret society is — or who it is. Like the Ku Klux Klan, it hides."

Armstrong was stretching poetic license to the point of arrant nonsense. Our associate Hal Bernton had no trouble locating members of the Citizens Action Group, and he found them neither weird nor mysterious.

They are local businessmen, ranchers, hunters and fishermen who are concerned and angry about what they see as Koniag's illegal move to gain ownership of valuable timberland worth millions of dollars. The land that Koniag seeks is located on the federall owned island of Afognak.

Seven of the 16 villages for which Koniag Inc. claims federal land under the 1971 act have been challenged as paper phantoms, imaginary entities that are not entitled to grants of federal land. After initially certifying all seven as eligible, the Bureau of Indian Affairs was reversed by higher-ups in the Interior Department on six of the alleged villages.

THE ONE VILLAGE that was given final certification is now being contested in court by Kodiak Island's citizens group.

Whether a court suit can overcome Koniag's clout in Washington remains to be seen. There seems little doubt that Armstrong has been an effective lobbyist in both the state and federal capitals. Backed by the increasing political strength of the native American corporations that have become Alaska's biggest private landowners, Armstrong is not above playing on the guilt of the white majority over the historically shabby treatment of Natives.

Those who question the validity of Koniag's villages are "trash, human trash, people who are here whom I would rather not have here," in Armstrong's words. "As far as I am concerned," he told our reporter, "the villages are there because they (the Natives) said they are there. If that is where they have a sense of place, who am I to argue with them?"

ARMSTRONG WAS ONCE the editor of the Kodiak Daily Mirror. His successor in the editorship, Nell Waage, won a national award for her editorial writing. But when the Mirror published some articles critical of some of Armstrong's friends, he denounced Waage as a "racist bigot."

The odd thing about Armstrong's fierce championing of Native Alaska rights is that his credentials as a Native — and thus his credibility as the executive officer of the Native development corporation — are almost as ephemeral as the villages that Koniag Inc. has claimed land for.

Armstrong's initial application to the Bureau of Indian Affairs for certification as a Native was rejected because he could show only that he was only three-sixteenths Native Alaskan. Eligibility for "Native" status requires at least one-fourth Native ancestry. But Armstrong protested, and the BIA gave him legal status as a Native.

ARTICLE 2. INCORPORATION OF DEVELOPMENT CITIES

Section

40. Incorporation standards

50. Application of standards

60. Incorporation of territory located within a municipality

19 AAC 10.040. INCORPORATION STANDARDS. (a) A community may not incorporate as a development city if the commission finds that:

(1) the area proposed for incorporation is served by an existing municipality or could be better served by an existing municipality;

(2) it is improbable that the proposed development will take place during the development stage;

(3) the program and activities contemplated may be undertaken through an expansion of the corporate limits of an existing city. The commission would then declare that city to be a development city for the purpose of preferential designation under AS 28.18.010, 340, and 460;

(4) the program and activities contemplated for development may be better undertaken by establishing a service area within an existing organized borough for a development project, and declares the service area to be eligible for preferential designation under AS 29.18.410 and 450;

(5) the proposed program and activities contemplated by the industrial developer do not serve the public interest as determined by the development city legislation under AS 29.18.220-460; and

(6) it is improbable that the proposed development city will meet the standards for incorporation as required by 19 AAC 10.010 by the end of the development stage.

(b) If the commission finds that a service area within an organized borough is to be designated for preferential treatment under (a) (4), the borough assembly may undertake the development project in the manner of a development city by forming a service area according to AS 29.63.090 and shall present to the commission a contractual agreement for their approval outlining the responsibilities assumed by the borough and the developer to implement the proposed development program.

(c) The assembly may decline the findings under (b) of this section to establish a service area and, in the alternative, request the commission to approve the incorporation of a development city.

(d) The commission may dissolve a development city established under AS 29.18.220 subsequent to its incorporation:

(1) the major economic development projected does not occur within a period of five years;

(2) the development project had been reviewed as a new project, and the commission determines that it is improbable that the proposed development would have taken place; and

(3) after five years, the development city not longer meets the standards for incorporation as required by 19AAC 10.010.

(e) A commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62).

Authority:

19 AAC 10.050. APPLICATION OF STANDARDS (a) No incorporation of territory located within an organized borough shall be allowed unless petitioners demonstrate to the satisfaction of the commission that the service and functions to be exercised by the proposed development city encourage orderly development of a well planned, diversified, and economically sound city. This requirement is considered satisfied if:

(1) the assembly of the borough in which the proposed city is located has passed, and the commission has approved, a resolution stating that the municipal services proposed could more economically and efficiently be provided by the development city form of government than by a service area of the borough;

(2) the proposed city is located in a relatively isolated area at least ten miles from the borough seat and is not connected by a primary or secondary state highway; and

(3) the proposed city is located primarily on land to which the developer owns or has conveyance of title;

(b) A petition for incorporation of territory within an organized borough will not be considered until petitioners have submitted, and the commission has approved, a contractual agreement between the proposed development city and the borough outlining the planning and zoning powers and responsibilities assumed by each party during the development stage.

(c) A petition for incorporation of territory will not be considered until the petitioners have submitted, and the commission has approved, a local hire agreement required by AS 29.18.330.

(d) A petition for incorporation of a community as a city of the first class shall be denied unless petitioners can demonstrate to the commission that the community has the ability to generate sufficient local revenues to pay for the local share of costs of any mandatory first class services. The amount of funds necessary shall include the funds to pay for an annual audit of city accounts and funds necessary to exercise the planning and zoning powers at a level sufficient to qualify the city for State Aid to Local Governments.

(e) The commission shall conduct a public hearing or an investigation prior or subsequent to the effective dates of an incorporation before entering into a decision pursuant to 19 AAC 10.040.

(f) The commission may conduct public hearings or investigations subsequent to the effective dates of an incorporation to determine whether the provision of municipal services is proceeding pursuant to the required schedule, and if it is not, the commission may institute dissolution proceedings under Article 5 of chapter 10.

Authority:

19 AAC 10.060. INCORPORATION OF TERRITORY LOCATED WITHIN A MUNICIPALITY. (a) In the case of any incorporation of territory within an organized borough which is providing services to the territory that the city will provide upon incorporation, the commission will determine the method by which assets, debts, and liabilities are to be distributed between the newly incorporated city and the municipality formerly providing services.

(b) In determining the method of transfer of service responsibility and the distribution of assets, debts, and liabilities, the commission will approve any fair and equitable agreement between the municipalities affected, but will independently review any proposed agreement.

(c) If, within two (2) years of the date of incorporation, the borough and the development city involved have failed to reach an agreement as to the transfer of assets, debts, and liabilities, the commission shall determine the fair and equitable agreement which shall be binding on all municipalities affected.

(d) If, in exercising its responsibilities under (c) of this section, the commission determines it necessary to employ the service of professional accountants or consultants, it may do so and charge the municipalities for any costs incurred.

Authority:

Sturgulewski

The Development City concept by itself changes the values and practices that have built our free enterprise system.

In the past, the self sufficient family farm has been accepted as the necessary first step to developing an economy in undeveloped land.

The Development Cities Act, on the other hand, allows major developers to control and develop large resources with no concern or participation to the family unit who seeks (now more than ever) the security and satisfaction of being self supporting and controlling their own destiny.

My wife and I on that basis alone object to development cities entirely.

In my presentation this morning, however, I will approach the Act solely from the viewpoint of protecting Alaska interest within the Development City context.

The law in general must separate clearly the city and the developer and their relationship to each other, allowing the city to be an entity in itself, open to the general public and commerce.

29-10-220 LEGISLATIVE FINDING

We now have new information from Afognak City's first attempt. This information has created new questions that are not adequately dealt with under the existing law. It is my opinion that law as it is written is grossly deficient in protecting Alaska's interest and dealing with social and economic needs of our State.

29-18-230 to 29-18-340

This section of the law deals with procedures of the petitioner which must be made to include financial investigation of the petitioners over the previous ten years in order to develop a reasonable assurance that the petitioner has the management experience, stability and capital to execute such an undertaking to a desirable conclusion.

29-18-340 DEVELOPMENT CITY COUNCIL

It is clear that the governor has complete control of the city, with the city council serving at his pleasure. The city council members do not have to be residents during the first five years. A developing city is going to need a city council which is present and public to deal effectively with actual growth and need of a city just getting off the ground. Further, after being appointed, the city council should serve at no one's pleasure other than their public, and all members elected after they have their first forty permanent residents with specific language used to tie down who and who is not a permanent resident.

It is important here to look down the road a bit and realize the power that would be given the governor if, perhaps, ten to fifteen of these cities are being developed and all at the control of one governor, with the possibility of major developers coming

into the State with only one person's consideration. This is clearly not in the public interest.

A city council must live in the development city and be available to the public. The law as it reads now doesn't even say the city council has to be in Alaska. This means that a citizen would be required to pay long distance rates to talk to his appointed rulers.

29-18-380 PROCEDURES

This allows no public participation of any kind. It has been suggested that the meetings be put on public address systems, but this would still severely hamper the needed exchange between the community and its appointed rulers.

29-18-390 DEVELOPMENT OF CITY CAPITAL IMPROVEMENT FUND

This should be clarified to specific purposes and be implemented in stages as required by specific development. For example, the needs for fun in a paper stage will be different from those of implementation.

29-18-400(4)

This section should read "appointed' from the public by the governor, not "nominated by the developer".

20-18-360(2) POWERS AND DUTIES

This section isolates the development city from existing borough planning if one exists. Therefore, there is no recourse for the general geographic area and existing economy to participate in decisions that might affect them, i.e., offshore experimental drilling facility in Afognak Bay, which is a reasonable assumption if Afognak City is there with the dock facility which the Afognak Native Corporation plans to build. The impact would certainly affect all of Kodiak Island Borough.

29-18-430 REVENUE BOND

Some consideration must be given to existing residence. In the initial petition, the eighty-five of us presently living there became 1/85 of the taxable tax base and 1/85 of the liability of a $2 million project. ANCSA 21(d) states that Native lands are not taxable and (22) miscellaneous states that no liens, exclusions or judgments of any kind can be executed within twenty years.

Further, each revenue bond must show its relevance to the city sector as opposed to corporation development. This particular train of thought should be questioned throughout the Act. Our purpose and tax dollars should be spent to aid in the cost of the city, and not in the development of the resource. In a case where the purpose of a facility services both, the cost should be divided between the city and the developer proportionally.

EXAMPLE

If a city dock that would serve the city alone could be built for $500, but to meet the needs of the developer must now cost $2,000. The developer should have to generate $1,500 capital outside of the bonds. My concern here is the tax liability of the bond on the city should the industry fail to be profitable and the collateral not redeemable as under ANCSA (22) or not of sufficient value to satisfy its creditors. It appears to me that if the debts are kept reasonable that city could possibly survive the loss of its major developer by participating in existing economics such as fishing. On the other hand, if town liabilities are allowed to far exceed those of a realistic population projections ability to handle the city would most probably end up a ghost with many

citizens losing their shirts, as well as their dreams.

29-18-450 APPLICABILITY OF OTHER PROVISION OF THIS TITLE

This paragraph was not applied nor adhered to in Community and Regional Affairs' administration of the Act as it applied to the Afognak City's first petition, though it sheds a lot of light on the intent and composition of the Act. In its sweeping centralization, however, it creates contradiction within the law itself.

EXAMPLE

29-18-050(8) THE PROVISION FOR A FIRST CLASS CITY INCORPORATION

The signature and residence address of 50 permanent resident voters within the proposed municipality, which with eighty-five residents as applicable and Title 29-18-240 are both in Chapter 18. Hence, 29-18-240 has to be improved and clarified giving guidelines for public participation under a democratic government, as the character of its location changes from unpopulated - no existing economy - to populated with existing economies population and borough government.

First and most important, there is no provision under the law that necessitates the establishment of public sector. There must be land made available to the general public and general business community.

This land must in no way be controlled by the developers other than its original planning and zoning. Land should be sold at a fixed percentage above cost and a provision requiring development within a given time to discourage land speculation. My concern here is that the law permits the possibility of Alaska's future growth to be exactly like Prudho Bay, where a group of corporations owns

all the land and commerce. Any city in Alaska must be open to the public at the public's own discretion. Finally, I feel the State or petitioner should advertise the new city to the national business community, asking for their economic participation in fields other than that of the founding developer. For example, offshore oil exploration drilling support facilities and bottom-fishing processors are very real possibilities in the Afognak City and would go a long way in ensuring orderly development of well planned, diversified and economically sound new cities necessary to support the sound development of the State resources by both private and public sector.

CONCLUSION

In conclusion it is extremely important to consider our states goals and values as we now look at our future.

International bankers and multinational corporation have acted and planned far in advance of the political concepts of the nation_ state by cutting off our states opportunity to procceed in its family oriented past by completely stopping land transfer to public and regulating every thing from limited entry to placer mining out of reach of most of the general public. They now have created a state of mind in Alaska that believes our only future is to develop on a big scale with major multinational corporation, If we go that route the future is clear. If the only future development in Alaska is with big corporation then we will be allowing our main stream economy to be controlled by multinational corporations.

It is my opinion that we should quard our six trillion dollars of natural resource like a miser, his purse only developing them in as much as its allows us to develop a free enterprise family oriented economy in aquaculure, farming,musk ox, reindeer and small mining.

What we need is a development of family oriented business act and not a development cities act.

February 13, 1979

Mr. Dodd Shay
P.O. Box 2913
Kodaik, Alask- 99615

Dear Legislator:

International bankers and multinational corporations have acted and planned far in advance of the political concepts of the nation state by cutting off our states opportunity to proceed in it's family oriented past by completely stopping land transfer to the public and regulating everything from limited entry to placer minning out of reach of most of the general public. Implimenting the Development Cities Act, is the next step in thier far ranging plan to control our states economy.

I would appreciate your time and consideration of the emclosed presentation as was given to members of the House and Senate Community and Regional Affairs committees, in Kodiak, on Sunday, February 11, 1979.

In closing, I would ask if there are questions, or more information needed, that you schedule a conference via the Legislative Teleconference Network.

Sincerely,

Dodd Shay

Dodd Shay

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The board determined that the probable cause of the accident was:

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Anchorage Times Mar 1, 1978

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However, a number of protests have come in, prompting the review, says Pat Poland, state Local Boundary Commission staff assistant headquartered in Anchorage.

The protests are chiefly from other native corporations holding land in the area, as well as from residents, he said.

Under state law, a development first class city may be established in areas that are basically uninhabited, thus giving incorporators the added borrowing power needed for fast development. Except for development cities, requirements for setting up a first class city specify a certain number of residents already living in the area.

The Afognak petition stated that the 825-mile area to be incorporated had no residents. However, Poland said, it appears that there are actually 41 residents of the area. The area proposed as a city includes about half of Afognak Island and all of Whale and Raspberry Islands, with only about half of the proposed area being land, he said.

Land holders and residents basically are protesting incorporation on grounds that they would be subject to taxation and land uses they did not approve.

The hearing on incorporation will be held in the Juneau office of Community and Regional Affairs, headed by Commissioner Lee McAnerney.

Lost River near Nome, the only development city to have been incorporated under the state's development city law, was dissolved several years ago.

The Afognak natives' group holds lands suitable for a logging operation. The corporation was formed from residents of both the old village of Afognak on Afognak Island and from Port Lyons on Kodiak Island. The latter village was formed after the 1964 earthquake rendered the former city uninhabitable.

The development city act anticipates that a new city is reasonably capable of growing to at least 400 inhabitants within five years.

Hawaii Judge Fines Talbot $2,000 and Censures

(Continued from Page 2,

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That committee, which is made up of lawyers and laymen, will hear his presentation, along with Talbot's, not unlike a small trial, Garrison said.

The committee then will make a recommendation to the bar association's board of governors, who can reject, amend or approve the committee's findings.

Depending upon the board's decision — and assuming he even is found guilty of an ethics violation — Talbot could be disbarred, reprimanded or a public notice of his action could be published, Garrison said.

Judge Closes Target Range

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One municipal noise inspector testified the range did not violate municipal noise standards. But the permit was denied because the range allegedly did not meet safety standards, was the subject of complaints by community residents and was in a location not considered suitable by municipal officials.

Parca operators have contended the shooting range is safe and does not interfere with residential life in the community. The 75-acre gravel pit which contains the range is located on Cange Road just off O'Malley Road.

Parca founder Dave Sharukshahyn said Wednesday the club plans to pursue the noise permit through mu[illegible]

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Discussion planned on development act

Feb. 9 1979
Kodiak Daily Mirror

By DEBORAH NELSON
Mirror Staff Writer

Onion Bay resident Dodd Shay, who wants to see the Development Cities Act rewritten, has organized a no host breakfast in the Sheffield banquet room this Sunday at 8 a.m. to discuss the issue.

Chairperson for the Senate Community and Regional Affairs committee Arliss Sturgulewski, said she plans to attend the breakfast and said some legislators from both the House and Senate Community and Regional Affairs committees are planning to attend the meeting Sturgulewski's office said Rep. Fred Zharoff and his wife have reported they will be present, but Sen. Bob Mulcahy said he wasn't sure if he would be able to fit the meeting into his schedule.

Shay said he plans to speak for about 15 minutes on the Development Cities Act and then plans to turn the issue over to those assembled for discussion.

Shay explained that while he was going over the statues concerning the Development Cities Act, he found areas "extremely lacking."

"The way the statues on the Act are currently written," stated Shay, "it doesn't deal with Alaska's social and economic problems. It will compound the problems that we already have if it is not rewritten before it is put into effect."

However, it may be a race against the statutory clock for Shay, because the Natives of Afornak are gearing up for another attempt to establish the Development City of Afognak.

The planning and zoning commission waived the platting requirements for the Ouzinkie and Afognak Corporations, Wednesday, allowing them to complete a major exchange of land. According to Marvin Frost, general manager for the Natives of Afognak, this was the biggest step before the corporation once again places a petition for the establishment of a development city before the Department of Community and Regional Affairs.

Shay said he expected Frost to attend the Sunday breakfast Frost said this morning he didn't know if he would be in attendance for the meeting or not.

Natives of Afognak had filed a petition for a development city in November 1977. The Local Boundary Commission had granted tentative approval for the development city in January 1978, however, it rescinded its decision in May of that year.

Shay, who owns five acres and a house on Onion Bay of Raspberry Island was involved in preempting to stop the 1977 Natives of Afognak petition for a development city. During the Democratic Convention held in Kodiak last April, Shay was successful in obtaining a party endorsed resolution opposing the Development Cities Act.

The development Cities Act has never been tested, however, it has remained on the books since 1972, when a Canadian-based firm proposed developing mineral deposits and establishing a town near Nome called Lost River.

That proposal was abandoned, but the cities act remained in the statutes, which permits

(Continued on Page 2)

Discussion

(Continued from Page 1)

uninhabited or unorganized areas within the state to become first class cities. The Development Cities Act also allows for a governor appointed city council which pre-empts residents from electing council members until the city has 400 permanent residents.

Legislators attend cities act meeting

Feb. 13, 1979

By DEBORAH NELSON
Mirror Staff Writer

Something good must be said for the democratic processwhena carpenter living in a remote region of the state can gather together at least 10 state legislators and other state officials to listen to his cause.

In his opening remarks to the group Sunday morning, Onion Bay resident Dodd Shay told the legislators he had arranged the breakfast meeting to inform them about discrepancies he has discovered in the Development Cities Act, "so that you can deal with the issue in the legislature."

"It is my opinion," Shay stated, "that the law as it is written is grossly deficient in protecting Alaska's interest, and in dealing with the social and economic needs of our state."

Shay, who had obviously done much research concerning the act, went over the statutes pertaining to the Development Cities Act and explained to the group what he found to be faulty statements.

Among the statutes Shay addressed was a statute pertaining to the initial government of a development city. This statute states that city council members do not have to be residents of a development city during the first five years of its incorporation, and that the governor has the power to appoint the initial city council members.

In his rebuttle to this statute, Shay stated, "it is clear the governor has clear control of the city, with the city council serving at his pleasure." Shay stated it was important to realize the power a governor could accrue "if perhaps, 10 to 15 of these cities are being developed, and all at the control of one governor."

"The law as it reads now doesn't even say the city council has to be in Alaska," declared Shay. "This means that a citizen would be required to pay long distance rates to talk to his appointed rulers."

In his concluding remarks, Shay stated that international bankers and multinational corporations have been "cutting off our state's opportunity to proceed in its family oriented past by completely stopping land transfer to the public, and regulating everything from limited entry to placer mining out of the reach of the general public."

Shay went on to say these corporations have created the state of mind in Alaska which

Meeting

(Continued from Page 1)

scale development by multinational corporations.

After Shay's presentation, the floor was opened for discussion. Borough Manager Stuart Denslow announced to the legislators that Shay was not alone in his concern over the Development Cities Act. He said other individuals expressed their concern over the issue to the borough.

When the discussion turned to the expected repetitioning the Natives of Afognak for the incorporation of a development city, Palmer McCarter, director of the local government assistance division, stated that it was "a sham, if you will, of the initial Afognak presentation."

McCarter stated that he believed, however, that Shay was "being parochial in assuming that all development cities would have residents like Afognak." McCarter said that many areas in the state would not have residents.

However, Local Boundary Commission representativee Sig Stranberg disagreed with McCarter. Stranberg stated the original petition of the Natives of Afognak for a development city was not a sham. He said the original petition "was valid, and it had punch to it," and that it was quite in line with the Development Cities Act. "It had flaws," said Stranberg, "but it wasn't incurable."

Stranberg explained that the initial petition for a development city of Afognak was requested by developers from within the state; "so the boundary commission greeted it with more enthusiasm." He said the commission also considered the original petition from the standpoint of encouraging development in Alaska.

Sen. Arliss Sturgulewski stated that perhaps now was the time to attend to the adjustments in the Development Cities Act, before the act was actually put into effect. The Development Cities Act has been on the books since 1972, when a Canadian based firm proposed developing mineral deposits and establishing a town near Nome called Lost River. That proposal was subsequently abandoned.

Chairman of the House Community and Regional Affairs Committee Bill Parker commented to Shay, "I think what you have pointed out to us, is that this little law didn't die with Lost River."

Many of the legislators present at the meeting did not appear to be very familiar with the Development Cities Act, but judging from the comments generated after Shay's presentation,Shay had impressed the group with his dedication in pursuing the issue.

Rep. Fred Zharoff, who was present at the meeting, said he thought Shay had posed some very interesting questions. He said he would like to see the Local Boundary Commission investigate the issue and come up with some recommendations.

"I am very pleased all of you came to hear me today," stated Shay at the dispersal of the meeting. "This is something my wife and I are very concerned about, and I am very pleased that you would all turn out just to hear one citizen."

Manager for the Natives of Afognak, Marvin Frost was invited by Shay to present the corporation's position concerning development cities to the group, but Frost did not attend the meeting.

We are still fully attached.
Have not yet been sent to
all legislators - HB4 per your request.

Mr. Dodd Shay
Box 2913
Kodiak, Alaska

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February 13, 1979

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Anchorage Times March 7, 1978

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Natives of Afognak had filed a petition for a development city in November 1977. The Local Boundary Commission had granted tentative approval for the development city in January 1978; however, it rescinded its decision in May of that year.

Shay, who owns five acres and a house on Onion Bay of Rasberry Island, was involved in attempting to stop the 1977 Natives of Afognak petition for a development city. During the Democratic Convention held in Kodiak last April, Shay was successful in obtaining a party endorsed resolution opposing the Development Cities Act.

The development Cities Act has never been tested; however, it has remained on the books since 1972, when a Canadian-based firm proposed developing mineral deposits and establishing a town near Nome called Lost River.

That proposal was abandoned, but the cities act remained in the statutes, which permits

(Continued on Page 2)

Discussion

(Continued from Page 1)

uninhabited or unorganized areas within the state to become first class cities. The Development Cities Act also allows for a governor appointed city council which pre-empts residents from electing council members until the city has 400 permanent residents

Legislators attend cities act meeting

Feb. 13, 1979

By DEBORAH NELSON
Mirror Staff Writer

Something good must be said for the democratic processwhena carpenter living in a remote region of the state can gather together at least 10 state legislators and other state officials to listen to his cause.

In his opening remarks to the group Sunday morning, Union Bay resident Dodd Shay told the legislators he had arranged the breakfast meeting to inform them about discrepancies he has discovered in the Development Cities Act, "so that you can deal with the issue in the legislature."

"It is my opinion," Shay stated, "that the law as it is written is grossly deficient in protecting Alaska's interest, and in dealing with the social and economic needs of our state."

Shay, who had obviously done much research concerning the act, went over the statutes pertaining to the Development Cities Act and explained to the group what he found to be faulty statements.

Among the statutes Shay addressed was a statute pertaining to the initial government of a development city. This statute states that city council members do not have to be residents of a development city during the first five years of its incorporation, and that the governor has the power to appoint the initial city council members.

In his rebuttle to this statute, Shay stated, "it is clear the governor has clear control of the city, with the city council serving at his pleasure." Shay stated it was important to realize the power a governor could accrue "if perhaps, 10 to 15 of these cities are being developed, and all t the control of one governor."

"The law as it reads now doesn't even say the city council has to be in Alaska," declared Shay. "This means that a citizen would be required to pay long distance rates to talk to his appointed rulers."

In his concluding remarks, Shay stated that international bankers and multinational corporations have been "cutting off our state's opportunity to proceed in its family-oriented past by completely stopping land transfer to the public, and regulating everything from limited entry to placer mining out of the reach of the general public."

Shay went on to say these corporations have created the state of mind in Alaska which

Meeting

(Continued from Page 1)

scale development by multinational corporations.

After Shay's presentation, the floor was opened for discussion. Borough Manager Stuart Denslow announced to the legislators that Shay was not alone in his concern over the Development Cities Act. He said other individuals expressed their concern over the issue to the borough.

When the discussion turned to the expected repetitioning the Natives of Afognak for the incorporation of a development city, Palmer McCarter, director of the local government assistance division, stated that it was "a sham, if you will, of the initial Afognak presentation."

McCarter stated that he believed, however, that Shay was "being parochial in assuming that all development cities would have residents like Afognak." McCarter said that many areas in the state would not have residents.

However, Local Boundary Commission representativee Sig Stranberg disagreed with McCarter. Stranberg stated the original petition of the Natives of Afognak for a development city was not a sham. He said the original petition "was valid, and it had punch to it," and that it was quite in line with the Development Cities Act. "It had flaws," said Stranberg, "but it wasn't incurable."

Stranberg explained that the initial petition for a development city of Afognak was requested by developers from within the state, "so the boundary commission greeted it with more enthusiasm." He said the commission also considered the original petition from the standpoint of encouraging development in Alaska.

Sen. Arliss Sturgulewski stated that perhaps now was the time to attend to the adjustments in the Development Cities Act, before the act was actually put into effect. The Development Cities Act has been on the books since 1972, when a Canadian based firm proposed developing mineral deposits and establishing a town near Nome called Lost River. That proposal was subsequently abandoned.

Chairman of the House Community and Regional Affairs Committee Bill Parker commented to Shay, "I think what you have pointed out to us, is that this little law didn't die with Lost River."

Many of the legislators present at the meeting did not appear to be very familiar with the Development Cities Act, judging from the comments generated after Shay's presentation.Shay had impressed the group with his dedication in pursuing the issue.

Rep. Fred Zharoff, who was present at the meeting, said he thought Shay had posed some very interesting questions and said he would like to see the Local Boundary Commission investigate the issue and come up with some recommendations.

"I am very pleased that you came to hear me today," said Shay at the dispersal of the meeting. "This is something that my wife and I are very concerned about, and I am very pleased that you would come out just to hear one citizen."

Manager for the village of Afognak, Marvin Frost, was invited by Shay to speak on the corporation's position concerning development. Frost, a group, but Frost did not the meeting.

Article 4. Development Cities.

Section
220. Legislative findings
230. Development cities
240. Incorporation
250. Petition for incorporation
260. Review
270. Investigation
280. Report
290. Decision on development city incorporation
300. Preliminary planning
310. Review and report
320. Limitation
330. Local hire
340. Development city council
350. Filling a vacancy
360. Powers and duties of council
370. Powers and duties of development city executive director
380. Procedures
390. Development city capital improvement funds
400. Transition
410. Housing powers
420. Land selection
430. Revenue bonds
440. Shared revenue
450. Applicability of other provisions of this title
460. Definition

Revisor's note (1972).—Provisions virtually identical to §§ 220—460 of this chapter were originally enacted as AS 29.76, in ch. 106, SLA 1972. Also see ch. 110, SLA 1972, which incorporated the development city of Lost River.

Sec. 29.18.220. Legislative findings. The legislature finds that the development of natural resources in isolated and relatively unpopulated areas requires a policy and procedure which will provide planning, financial and other assistance necessary for encouraging orderly development of well-planned, diversified and economically sound new cities necessary to support the sound development of the state's resources by both the private and public sector. It is the purpose of §§ 220—460 of this chapter to set out the mutual responsibilities of the private and public sectors to achieve these objectives with a view to securing information valuable to future legislatures so that general legislation applicable to the establishment of development cities may be perfected. (§ 19 ch 118 SLA 1972)

Sec. 29.18.230. Development cities. Subject to reclassification under § 400(c) of this chapter, a development city is a city of the class designated by the Department of Community and Regional Affairs. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.240. Incorporation. An area not served by an existing municipality which is not reasonably practicable to be served by an existing municipality may be incorporated as a development city by

(1) petition of the industrial developer to the Department of Community and Regional Affairs to be acted on by the Local Boundary Commission; or

(2) act of the legislature. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in paragraph (1).

Sec. 29.18.250. Petition for incorporation. A development city incorporation petition proposed by an industrial developer shall include the following information about the proposed city:

(1) class,

(2) name,

(3) boundaries,

(4) composition of the council,

(5) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by the Department of Community and Regional Affairs to show that the proposed city meets the standards for incorporation,

(6) the proposed agreement required under § 330 of this chapter. (§ 19 ch 118 SLA 1972; am §§ 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in paragraph (5).

Sec. 29.18.260. Review. The Department of Community and Regional Affairs shall review the petition for content and shall return deficient petitions for correction and completion. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.270. Investigation. If the petition contains the required information, the Department of Community and Regional Affairs shall investigate the proposal to determine whether the development expenditures and proposed capital program by the developer serve the public interest and demonstrate a probability of being carried forward to a successful conclusion. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.280. Report. (a) The Department of Community and Regional Affairs shall report its findings to the Local Boundary Commission with its recommendations regarding the incorporation within 60 days of receipt of the petition for incorporation.

(b) The Local Boundary Commission shall review the petition and the findings and recommendations of the Department of Com-

munity and Regional Affairs within 60 days of receiving them. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in subsections (a) and (b).

Sec. 29.18.290. Decision on development city incorporation. (a) The Local Boundary Commission may reject a petition for incorporation if it finds that

(1) the area proposed for incorporation is served by an existing municipality or could be served by an existing municipality;

(2) it is improbable that the proposed development will take place;

(3) the program and activities contemplated by this chapter may be undertaken through expansion of the corporate limits of an existing city and then declares that city to be a development city for the purpose of preferential designation under §§ 10 and 340—460 of this chapter;

(4) the program and activities contemplated by this chapter may be undertaken by establishing a service area within an existing organized borough for a development project, and declares the service area to be eligible for preferential designation under §§ 410 and 450 of this chapter;

(5) the proposed development does not serve the public interest.

(b) If the Local Boundary Commission finds that a service area within an organized borough is to be designated for preferential treatment under (a) (4) of this section, the assembly may undertake the project in the manner of a development city and shall present to the Local Boundary Commission a contractual agreement outlining responsibilities assumed by the borough and the industrial developer to implement the proposed development program.

(c) The assembly may decline findings under (b) of this section to establish a service area and in the alternative request the Local Boundary Commission to approve incorporation of a development city.

(d) The Local Boundary Commission may dissolve a development city established under § 20 of this chapter if subsequent to its incorporation

(1) the major economic development projected does not occur within a period of five years; and

(2) if the development project had been reviewed as a new project the Local Boundary Commission determines it would have rejected the petition on the basis that it is improbable the proposed development would have taken place.

(e) A commission decision under this section may be appealed under the Administrative Procedure Act (AS 44.62). (§ 19 ch 118 SLA 1972)

Sec. 29.18.300. Preliminary planning. The city shall prepare and submit to the state preliminary plans in advance of completion of the final basic comprehensive plan for the city. The preliminary plans shall include

(1) maps, documents, preliminary economic development projections, preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by reviewing agencies of the state;

(2) a report on the physical and biological character of the proposed city's site and a land and water use plan and the design and siting of the community to be developed based upon these natural factors. (§ 19 ch 118 SLA 1972)

Sec. 29.18.310. Review and report. (a) The division of planning and research, in conjunction with the Departments of Community and Regional Affairs, Natural Resources, and Environmental Conservation and other departments as determined appropriate by the division of planning and research, shall review the preliminary planning and additional data may be requested.

(b) The division of planning and research shall coordinate the preparation of a report and recommendations, if any, which shall be submitted to the governor within 60 days of receipt by the state of the preliminary plans from the city. The city may proceed to the completion of the final basic comprehensive plan upon satisfying any specific recommendations contained in the report.

(c) During the course of planning toward completion of the basic comprehensive development plan the division of planning and research and the Department of Community and Regional Affairs shall be kept currently informed and the final plan shall be subject to review and recommendation by the division of planning and research, which shall act in its coordinating capacity to secure review by the Department of Environmental Conservation and other state agencies as appropriate. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, in subsection (a), deleted "Local Affairs Agency and the" following "conjunction with the" and inserted "Community and Regional Affairs" following "Departments of." In subsection (c), the amendment substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.320. Limitation. The city may not proceed with commitment of funds or formal undertakings for physical development until it has a signed contract or contracts for sale of the company's products in quantities shown in the economic data and submitted by the company to be adequate to sustain an economically viable operation. The company may submit alternative valid evidence that the projected operation will proceed. The company shall notify the

Department of Community and Regional Affairs of the meeting of this requirement. Unless the Department of Economic Development makes a determination that the data is insufficient, the city may proceed. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the third sentence.

Sec. 29.18.330. Local hire. In consideration of the incorporation of a development city under this chapter, the major developer shall enter into an agreement with the appropriate agencies of the state concerning

(1) establishing and maintaining an approved Department of Labor on-the-job training program to qualify Alaska residents lacking in the requisite technical skills of the activities to be undertaken;

(2) establishing resident hire goals in terms of per cent of employees at the end of the first year, second year and third year of operation;

(3) establishing the responsibilities of the various state agencies towards providing technical assistance, manpower procurement, relocation assistance, job opportunity services to residents in the area, supplemental vocational training, and the scope of effort each state agency has in this regard with specific commitments in terms of numbers of residents, time schedule and dollar value of training;

(4) establishing the penalties and conditions of noncompliance with the agreement. (§ 19 ch 118 SLA 1972)

Sec. 29.18.340. Development city council. The council of a development city has five members consisting of the commissioner of the Department of Community and Regional Affairs, or his designee, and four public members designated by the governor. The governor shall appoint no fewer than two public members from a list of nominees designated by the major developer providing the industrial base of the city as measured by employment and capital investment. The council shall serve at the pleasure of the governor. The designated councilmen need not be residents of the city during its development stage. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, in the first sentence, substituted "commissioner" for "director" following "consisting of the" and substituted "Department of Community and Regional Affairs" for "Local Affairs Agency."

Sec. 29.18.350. Filling a vacancy. If a vacancy occurs in the council as constituted under § 340 of this chapter, the applicable appointing authority shall designate the replacement during the development stage of the city. (§ 19 ch 118 SLA 1972)

Sec. 29.18.360. Powers and duties of council. During the development stage the council of a development city may

(1) exercise the powers and duties of a school board if the city is located outside an organized borough;

(2) exercise the powers and duties of a planning commission under AS 29.33.080, except that during the first five years or until the development city has 400 permanent residents, zoning and zoning changes will be reviewed and approved by the division of planning and research and the Department of Environmental Conservation. (§ 19 ch 118 SLA 1972)

Sec. 29.18.370. Powers and duties of development city executive director. During the development stage the council shall appoint an executive director of the development city, who may be one of its members, to serve at the pleasure of the council. The executive director shall have the powers and duties of all executive and administrative city officials set out in this title in order to develop the city under a comprehensive community development plan. (§ 19 ch 118 SLA 1972)

Sec. 29.18.380. Procedures. During the development stage, the council may provide for conference telephone or radiophone meetings at times determined by the council and shall determine its own rules and order of business. (§ 19 ch 118 SLA 1972)

Sec. 29.18.390. Development city capital improvement funds. All state agencies shall, where appropriate, adopt procedures to insure that, during the development stage, the needs of a development city are carefully considered in the allocation of funds available for capital improvement projects where those funds have not otherwise been committed by the legislature. (§ 19 ch 118 SLA 1972)

Sec. 29.18.400. Transition. (a) When a development city has 400 permanent residents elections shall take place according to the following schedule:

(1) in the first year two additional councilmen who shall be city residents elected for three-year terms;

(2) in the second year two councilmen who shall be city residents elected for three-year terms to replace one of the councilmen nominated by the industrial developer and one of the public members designated by the governor;

(3) in the third year two councilmen who shall be city residents elected for three-year terms to replace the commissioner of the Department of Community and Regional Affairs and one of the councilmen nominated by the industrial developer;

(4) in the fourth year a mayor who shall be a city resident elected for a three-year term to replace the remaining councilman nominated by the industrial developer.

(b) At the time of the election under (a) (4) of this section, or any time after it, the electorate may exercise the right to become a home rule city as authorized under this title.

(c) If, within a period of five years from the incorporation of a development city, the number of permanent residents does not reach 400, the Department of Community and Regional Affairs shall order an election for city officials and designate a successor class of city based on population as provided in this title. If the department designates a successor class of city, the provisions of this title relating to that class of city apply, and the city shall be reclassified accordingly. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "commissioner of the Department of Community and Regional Affairs"for "local affairs director" in paragraph (3) of subsection (a). The amendment also substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the first sentence of subsection (c) and substituted "department" for "agency" in the second sentence of that subsection.

Sec. 29.18.410. Housing powers. From the time of the appointment of the first city council and for a period of 10 years following the first election of councilmen, the council may act as its own housing and urban renewal authority if such powers have been granted to cities under applicable provisions of law. (§ 19 ch 118 SLA 1972)

SEE LAST PAGE

Sec. 29.18.420. Land selection. (a) The Department of Natural Resources shall attempt to secure the transfer of the available federally owned land located within the boundaries of a development city into state ownership. After the transfer, a development city may select 10 per cent of the vacant, unappropriated, unreserved state land located within its boundaries. Nothing in this section affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way or other purposes or affects the rights of an owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

(b) If land desired by the development city is unsurveyed at the time of its selection, the Department of Natural Resources shall survey or approve a survey by the city of the exterior boundaries of the area requested without interior subdivision and shall issue a patent for the selected area in terms of the exterior boundary survey. The cost of the survey is borne by the city. If land desired by the city has been surveyed at the time of its selection, the

boundaries of the areas requested must conform to the public land subdivisions established by the approval of the survey. Land selected by the city under this section is patented to the city by the Department of Natural Resources.

(c) After the selection of the land by the development city but before the issuance of final patent, the city may execute conditional leases and make conditional sales of selected land. (§ 19 ch 118 SLA 1972)

Sec. 29.18.430. Revenue bonds. Revenue bonds may be issued by a development city under the provisions of AS 29.58.200—29.53.220. However, no vote of the people is required to issue revenue bonds during the development stage. During the development stage revenue bonds may be issued by a majority vote of the city council. (§ 19 ch 118 SLA 1972)

Sec. 29.13.440. Shared revenue. A development city is entitled to shared revenue and other state funds on the same basis as a city or organized borough of the first class or, if reclassified under § 400(c) of this chapter, on the basis of the reclassification. During the development stage the Department of Community and Regional Affairs may establish an assumed population figure which shall be used to determine shared revenue based on population on per capita grants. (§ 19 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the second sentence.

Sec. 29.18.450. Applicability of other provisions of this title. All applicable provisions of this title consistent with the provisions of this chapter apply to development cities. Provisions of this chapter prevail over other provisions of this title which are inconsistent. (§ 19 ch 118 SLA 1972)

Sec. 29.18.460. Definition. In this chapter "development stage" means that period of time extending from the date of incorporation of a development city until such time as the city may attain a population of 400 permanent residents, or five years from the date of incorporation, whichever is earlier. (§ 19 ch 118 SLA 1972)

Alaska Statehood Act, 72 Stat. 339, and any other land designated solely for school revenues;

(11) "university land" means all sections 33 reserved to the university under 38 Stat. 1214, as amended (48 U.S.C. 353) and all land granted to or reserved for the benefit of the university;

(12) "vacant, unappropriated, unreserved land" means general grant land as defined in (4) of this section, excluding minerals as required by § 6(i) of the Alaska Statehood Act, which

(A) has not been set aside by statute for one or more particular uses or purposes;

(B) has not been approved for patent to a municipality under §§ 201 — 213 of this chapter or former §§ 190 and 200 of this chapter repealed by this act; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility or open-to-entry purposes, or where classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality. (§ 2 ch 180 SLA 1978)

Article 4. Development Cities.

Section
420. [Repealed]

Sec. 29.18.420. Land selection.

Repealed by § 5 ch 180 SLA 1978, effective July 1, 1978.

Cross reference. — As to general grant land, see 29.18.201 et seq.

Editor's note. — The repealed section derived from § 19, ch. 118, SLA 1972.

As to purpose of repealing act, see § 1, ch. 180, SLA 1978, effective July 1, 1978, in the 1978 Temporary and Special Acts and Resolutions in Binder 9.

Article 5. Capital City Incorporation.

Section
510. Incorporation
520. Boundaries
530. City council
540. Filling a vacancy
550. Appointment of city officials
570. Transition
580. Planning and zoning authority
590. Transfer of utilities to capital city
600. Definitions
610. Short title

Cross references. — As to new capital city mortgage loans, see AS 18.56.094. For provisions that the Alaska municipal bond bank authority reserve fund includes accounts created to secure payment of bonds issued by the capital city established by AS 29.18.510, see AS 44.58.270 (d). As to the Alaska Capital City Development Corporation, see AS 44.07.

Effective date of article. — Section 7, ch. 143, SLA 1978, provides: "This Act takes effect 30 days after certification that a bond issue for costs of relocation of the

Title 29 - How to proceed w/ removal.

T - you have this in your "ideas" file for CRA - Will you see, Sandra Smith

9/

TITLE 29

Can Development Cities be incorporated?

T

We should have an
"idea" file for C + RA.
i e We (Cons) Title 29
needs revision. This might
be one approach to
problem. 9/

Lack of definition
in Lisa Rudd's
Comments that Dept C+RA should do as regular
part of activity
Flesh to be worked by C+RA.
Somebody needs further guidelines to carry out.

6.

Introduced: 1/10/78
Referred: Community &
Regional Affairs and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 585

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a local government study commission; and providing for an effective date."

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

* Section 1. LOCAL GOVERNMENT STUDY COMMISSION. There is established in the Department of Community and Regional Affairs a temporary local government study commission.

* Sec. 2. MEMBERSHIP OF COMMISSION. The commission has the following members:

(1) the commissioner of community and regional affairs or his designee;

(2) the chairman of the senate community and regional affairs committee;

(3) the chairman of the house community and regional affairs committee;

(4) four municipal officials appointed by the governor, one of whom must be from an organized borough or unified municipality, one from a first-class or home rule city located within an organized borough, and two from cities located within the unorganized borough;

(5) two residents of the unorganized borough, outside cities, appointed by the governor.

* Sec. 3. POWERS AND DUTIES OF THE COMMISSION. (a) The commission shall make recommendations to the governor and the legislature concerning the sufficiency of the existing local government structure and measures by which it may be improved, and toward that end, it shall

Legislative Committee
should develop guidelines.

(1) study and evaluate existing and alternative means of local government finance;

(2) study and evaluate the differences between governmental services and burdens in organized boroughs and the unorganized borough;

(3) study and evaluate the relationships between the state and local governments;

(4) study and evaluate existing and alternative local government structures;

(5) hold public hearings in organized boroughs, cities and the unorganized borough;

(6) after one year of study submit an interim report to the governor and the legislature;

(7) after two years of study, submit a final report with findings and recommendations to the governor and the legislature.

(b) In exercising its powers and fulfilling its responsibilities, the commission may:

(1) establish sub-committees to study each of the subjects set out in (a)(1) through (4) of this section;

(2) contract through the Department of Community and Regional Affairs for the professional services it considers necessary to prepare its final report.

* Sec. 4. DISSOLUTION OF COMMISSION. After presenting its final report, the commission is dissolved.

* Sec. 5. STAFF. The Department of Community and Regional Affairs through the division of local government assistance shall provide the staff for the commission.

* Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 1978.

Matanuska-Susitna Borough

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

BOROUGH ATTORNEY'S OFFICE

March 18, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
State Capital
Juneau, Alaska 99811

Dear Arliss:

Re. Municipal code revisions.

Attached with this letter is a list of examples of various provisions of Title 29 which should be clarified through revision of that title. This list is by no means exhaustive and I am sure that other attorneys and municipal officials throughout the state could add additional examples and support a thorough revision of Title 29.

As we discussed some time ago in Juneau, I recommend that the Legislature form an interim committee to review AS 29 during the next two years and that the committee be empowered to seek assistance from municipal attorneys throughout the state, hold hearings as it deems appropriate, and present a new municipal code to the Legislature in 1981 or 1982. I have received expressions of support from attorneys representing several municipalities throughout the state and am confident they will assist the Legislature in preparing a revised municipal code.

Thank you very much for your continued attention to this matter. If there are additional questions I can answer regarding Title 29 or if the Legislature is prepared to take action in this matter, please do not hesitate to contact me.

Cordially,

Allan E. Tesche
Borough Attorney

er

cc: Jerry Wertzbaugher
Tom Klinkner
Jim Nordale
Russ Walker
Lee Sharp

AS 29: Revisions Needed

29.08

Although an attempt has been made in this Chapter to classify the various kinds of Alaskan municipalities, more recent amendments to Title 29 and unification of several cities and boroughs have resulted in confusion over definitions of "cities", "boroughs", and "municipalities". It is not clear, for instance, whether the unified Municipality of Anchorage is a city, a borough, or unified municipality or all three forms of government within existing provisions of AS 29.

29.13.100

The Code should contain a uniform system for designating statutes that expressly apply to home rule municipalities and all such statutes should be consistently cross referenced.

29.23.050

The statutory residence requirement prescribed in this section is probably invalid. It is suggested that such residence requirements throughout AS 29 be reduced to a maximum of one year.

29.23.060(d)

Circumstances, other than financial interests, which allow a member to abstain should be better defined.

29.23.080

The procedure for determining vacancies under this section conflicts with the procedure established under AS 29.23.570.

29.23.130(B)

Once again, the three residency requirement in this section should probably be reduced to one year to assure its constitutional validity.

29.23.150 and AS 29.23.470

Both require assembly appointmet of an acting borough manager in the absence of or disability of the manager. If these sections address different policy questions, they are unclear; if they do not, one should be eliminated as redundant.

29.23.170

This provision does not specify when a veto becomes effective or specify any time limit for the overriding of the veto. Moreover, it does not indicate what is the status of an ordinance between the time its veto is announced and the time the Assembly first has an opportunity to override the veto. For instance, if the mayor vetos a line

item in the budget, may expenditures be made under that item until the mayor announces the veto at the next regular assembly meeting, or does the veto immediately strike the item until the veto is overridden?

29.23.200

The three year residency requirement here is also probably invalid.

29.23.210

As with the provisions for borougns, this section should provide more definite standards for abstention on other than conflict of interest grounds.

29.23.250

Another probably invalid three year residency requirement.

29.23.270

This provision has the same ambiguities with regard to the effectiveness of a veto and a veto override as the provision applying to boroughs.

29.23.555

This section has been superceded by AS 39.50.

29.33.070-245

Serious thought should be given to the purpose of the planning, platting and zoning provisions in this code. Should they only prescribe minimum due process standards for rezonings and other land use decisions or should they detail all of the administrative procedures to be followed by local governments in this area. This article presently tries to do little of both and does neither very well.

29.33.190

This section makes it unlawful for any person to sell or attempt to sell land located within a subdivision which has not yet been approved by the borough platting authority and subjects violators to certain criminal sanctions. But AS 29.53.100 requires that the borough assessor assess real property to "the owner of record as shown on the records of the district recorder" even though that person may be the owner of record only by virtue of an illegal subdivision in violation of AS 29.33.190. Moreover, AS 29.53.310 allows persons holding security interest in illegally subdivided lands to obtain release for portions of lots or tracts originally subdivided even though such lands were illegally subdivided in violation of AS 29.33.190.

29.33.070

It is unlear whether platting powers can be delegated to a second class borough or a city within the borough under this section.

29.33

The current language of this chapter, as it incoprorates a traditional definition of zoning and makes zoning along with platting the principal means of land use regulations, is unduly restrictive and should be revised to allow more innovative forms of land use regulation by boroughs and municipalities.

29.33.250

Presumably the transfer required is one from all cities exercising the power rather than from a city.

29.33 and 29.38

Should there be a provision for a borough to exercise a power in some but not all cities (for example in second class cities but not in first class cities)?

29.48.030(b) AS 29.48.035(b) and (c)

These provisions are redundant. The limitations on the powers of second class boroughs should be stated in a more concise fashion in one easily accessible part of the code.

Moreover, AS 29.48.030 and .035, insomuch as those sections distinguish between "regulation" and provision of "municipal facilities and services", are at the very least confusing and perhaps unnecessary.

29.48.030(a)(12)

The term transportation "system" used in this section should be defined.

29.48.260

Provisions of this section governing disposal of municipal properties should be clarified and revised to reflect increased land values throughout the state, to state who makes determinations of the value of land offered for sale and the date upon which such valuations must be based. Moreover, the statute should be clarified to either include or exclude rights-of-way or easements from its provisions.

29.53.135

The language regarding the composition of the Board of Equalization is unclear. The statute presently requires "at least that number of members of the assembly over and above the number required for a quorum to transact business"; the statute is unclear when applied to a lay board to whom the equalization function is delegated.

29.53

Should be amended to require payment of all taxes, even those due for more recent assessments on properties whose owners have requested issue of a quitclaim repurchase deed. Present law mandates issue of a quitclaim repurchase deed to the owner of record upon payment of those taxes assessed for the tax year stated in the clerk's deed even though the same property is the subject of other foreclosure proceedings brought in subsequent years. An amendment to AS 29.53 which would require payment of all taxes owing on a parcel before a quitclaim repurchase deed can be issued would eliminate substantial confusion in the minds of taxpayers, and would reduce administrative complexity for borough finance departments presently confronted with multiple foreclosure actions on the same parcels.

29.63.090

The present statute governing service areas does not adequately address the question of whether a service area may be used for exercise of a governmental regulatory power rather than for provision of municipal or services.

8.60.050-100

Regulation of junk yards in this section should be cross-referenced to those sections of Title 29. relating to areawide planning, platting and zoning powers.

9.25.110-120

It is unclear whether public records statutes apply at all to municipal government. If it is the intention of the Legislature to apply the public records laws of AS 9.25.110-120 to cities and boroughs, then those sections should be amended accordingly with an appropriate cross references to Title 29.

DEVELOPMENT CITY - Title 29

Senate Community and Regional Affairs
Arliss Sturgulewski

February 1979

Notes by Ann Sheets

It must be remembered that this statute was written for the Lost River project located near Nome in an unorganized borough containing no inhabitants. When Community and Regional Affairs received the petition for a development city on Afognak Island from the Afognak Island Native Association, they were given the impression that this area was devoid of inhabitants and proceded on this assumption. Most of the inhabitants are, in fact, transient cannery workers and may not wish for a voice in the development stage of a development city. It is not clear if all of the land is owned by the Native Corp. and if so, on whose land are the remaining inhabitants residing. If these inhabitants do not own land, they will not be subject to property tax even when it becomes a first class city. (they must pay tax only on improvements on the land).

29-18-050 (8) Provision for a first class city incorporation

This should be changed if there are inhabitants in the area. This section of the statute does not follow the standard incorporation procedures because it was assumed that a development city would result in an uninhabited area.

29-18-340 Development City Council

Change statute to "the Governor shall appoint no fewer that two public members from a list of nominees designated by the major developer providing the industrial base of the city as measured by employment and capital investment; and two members who are state residents preferably residing in the surrounding area or borough if the development city is located in a borough".

29-18-360 Powers and Duties of the Council

Considerable controversy has arisen over this provision as it gives planning & zoning powers to the division of planning and research and the Dept. of Environmental Conservation during the development stage. The original project for which this was written (Lost River) was located in an unorganized borough whereas Afognak is located within a borough which may want some control over development within its confines. An addition which may alleviate this problem is "except within an organized borough unless the borough waives DPD powers over development, planning, and zoning".

Actually, according to 29-18-290, the petition for a development city may be rejected

Actually, according to 29-18-290, the petition for a development city may be rejected under (4) if the organized borough is capable and willing to carry out the program and activities being considered or if the borough wishes to promote a development city within its area (5) (a) the assembly may "present to the Local Boundary Commission a contractual agreement outlining responsibilities assumed by the borough and the industrial developer to implement the proposed development program."

29-18-380 Procedures

Add "meetings shall be made public".

29-18-390 Development City Capital Improvements

Regulations presently being written by Community and Regional Affairs will clarify this.

29-18-430 Revenue Bonds

Mr. Shey is incorrect in his assumption that issance of Revenue Bonds would result in the 85 residents becoming 1/85 of the taxable base. Revenue bonds are issued from a coporation or bank based on the value of the project or facility thereby placing no liability on the tax payers. In the development stage, the inhabitants will not be taxed,and unless they own property, they will b taxed only on improvements on land when the development city is incorporated. The state may support the area with funds for certain capital improvement projects thereby represently the use of general tax monies. Mr. Shey gives an example of the building of a dock for which he says his concern is "the tax liability of the bond on the city should the industry fail to be profitable. . ." The facility would be liable in the case of Revenue bonds not the city.

Therefore, there are four alternatives before us:

1. Change the law to apply to locations which include a population; providing for a more democratic process in the development state of the project.

2. Repeal the law and in the process disallow certain developments that may be needed and beneficial to Alaska in uninhabited areas of the state.

3. Limit the law to only those areas in unorganized boroughs that have no inhabitants.

4. Leave the statute as is, counting on the regulations from Community and Regional Affairs to clarify the less definitive and confusing aspects of the law.

SJR

12

(HJR 10)

COMMITTEE REPORT

SENATE

FURTHER: None

1/25/79

Date: 2-16-79

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had SJR 12

Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Tom Kelly

Tom Stewart

MEMBERS HAVING OTHER RECOMMENDATIONS:

DP DNP

_____

CHAIRMAN

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 15, 1979

1:30 p.m. KODIAK - BOUNDARY COMMISSION RECOMMENDATIONS

SJR 12 - ANNEXATION OF TERRITORY TO CITY OF KODIAK

Briefing by Department of Community and Regional Affairs on Department functions

Meeting Continued
Friday - Feb. 16, '79
2:00 P.M.

2-16-79

Committee Log Book - ~~1980~~

Tape Number 1

SENATE C/RA

Committee

Side Number 1

Dates 2/16/79 to _____

Bill Numbers Discussed

SJR 12	PROPOSED CONCURRENT RESOLUTION								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3 p.m.		SJR 12	Chairman Sturgulewski/ Called meeting to order
	53 56		Sen. Stimson Chairman Sturgulewski
	233 254		Sen. Mulcahy Commissioner McAnerney/ Dept. C/RA
	283 293		Sen. Rodey Chairman Sturgulewski
	309 319		Sen. Rodey Commissioner McAnerney
	325 331		Sen. Rodey Commissioner McAnerney
	339 377		Chairman Sturgulewski Sen. Stimson
	380 399		Chairman Sturgulewski Sen. Mulcahy
	408		Sen. Rodey
			"Do Pass" - no objections
	426	New Res.	Committee agreed to sponsoring proposed concurrent resolution.
3:20 p.m.			MEETING ADJOURNED

2-15-79

Committee Log Book - ~~1980~~

Tape Number 1

SENATE C/RA / Chairman Sturgulewski
Committee

Side Number 1

Present: Senators Rodey, Stimson, Mulcahy, and Kelly

Dates 2/15/79 to

Bill Numbers Discussed

SJR 12									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2/15/79 1:30 p.m.			Called Mtg. to order / Chairman Sturgulewski
			Bob Hartig, Kodiak City Attorney
			Sen. Rodey Sen. Stimson
			Chairman Sturgulewski
			Sen. Stimson Sen. Mulcahy
			Ms. Joan Katz, Attorney, Kodiak Borough Chairman Sturgulewski
			Sen Rodey Lorna Arndt (Audience))
			Sen. Rodey Sen. Stimson
			Ms. Katz Chairman Sturgulewski
			Palmer McCarter, Dept. C/RA Chairman Sturgulewski
			Sen. Kelly Chairman Sturgulewski
			Sen. Kelly Sen. Sturgulewski
			Sen. Mulcahy Sen. Kelly
			Chairman Sturgulewski Lorna Arndt, Kodiak Resident
			Chairman Sturgulewski Okey Chandler, Kodiak Resident
			Chairman Sturgulewski Rep. Zharoff (Audience)
			MEETING ADJOURNED 2:45 p.m.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

RE: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 8, 1979

1:30 p.m. KENAI - BOUNDARY COMMISSION REPORT

KODIAK PUBLIC HEARING - Final Details

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10

Agenda:

2:00 Call to Order

Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation

2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

Alaska State Legislature

Senate

Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

TO: Community & Regional Affairs Committee

FROM: Senate Secretary's Office

DATE: January 24, 1979

SUBJECT: Local Boundary Commission Recommendation

The attached Local Boundary Commission recommendation was referred to your committee this date by President Tillion.

Please note that these recommendations will become effective forty-five days after receipt unless disapproved by a resolution concurred in by a majority of the members of each house.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B – JUNEAU 99811

January 23, 1979

The Honorable Clem V. Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

In accordance with the provisions of Article X, Section 12 of the Alaska Constitution and Alaska Statutes 44.19.260, presented herewith is a recommendation of the Local Boundary Commission concerning annexation of territory to the City of Kodiak, as well as a recommendation for correcting an error in the present corporate boundaries of the Kenai Peninsula Borough.

The recommendations will become effective forty-five days after this presentation or at the end of the legislative session, which ever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

Enclosure

1-P2L11

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATIONS OF THE LOCAL BOUNDARY COMMISSION SUBMITTED TO THE ELEVENTH STATE LEGISLATURE FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

RECOMMENDATIONS

1. Recommendation for annexation of territory to the City of Kodiak.

2. Recommendation for correcting an error in the present corporate boundary description of the Kenai Peninsula Borough.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE CITY OF KODIAK, ALASKA

SUBMITTED TO THE ELEVENTH LEGISLATURE,

FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

RECOMMENDATION FOR ANNEXATION OF TERRITORY

to the

City of Kodiak

WHEREAS, the petitioner, the City of Kodiak, has requested that certain property in the Mill Bay area be annexed to the city, to wit: twenty five lots contiguous to and North and East of the City of Kodiak, including residential and commercial properties; and

WHEREAS, upon receipt of the petition, the Department of Community and Regional Affairs determined that the petition was sufficient; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission held a public hearing at Kodiak, Alaska, on December 12, 1977, in the Kodiak City Council Chambers; and

WHEREAS, as a result of that public hearing, the Local Boundary Commission determined other urban lands in addition to those defined in the petition might be suitable for annexation to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held an additional public hearing at Kodiak on April 26, 1978, to consider annexation of geographical areas generally described as the Spruce Cape area, the Mill Bay area, the Monashka Bay area, and the United States Coast Guard Station to the City of Kodiak; and

WHEREAS, after giving proper public notice, the Local Boundary Commission held a public meeting in Anchorage on August 16, 1978, to review the record of proceedings on the

petition; and

WHEREAS, the City of Kodiak has stated to the Local Boundary Commission that it is financially capable of providing its full range of general fund services to the area encompassed by the Local Boundary Commission decision; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(3) in that the area is generally urban in character, as evidenced by Kodiak Island Borough population estimates, property valuations, and the relatively high level of commercial activity; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(4) in that evidence gathered at the public hearings shows that the area to be annexed is in need of municipal services which can be most efficiently provided by the City of Kodiak; and

WHEREAS, the Local Boundary Commission has determined that the territory to be annexed meets the standards for annexation set forth at 19 AAC 05.010(5) in that Kodiak Island Borough planning documents indicate there is likelihood that growth and development will occur in the territory and annexation will enable the city to plan for and control that development and arrange the most efficient municipal services plan to accommodate the expected growth;

NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska

Constitution, and Alaska Statutes 44.19.260, the petition to annex the territory generally described as the Spruce Cape area and the Mill Bay area be approved and that the boundaries of the City of Kodiak be amended to read as follows:

Beginning at Corner 3 of U.S. Survey 3945, said point being the true point of beginning; thence,

(1) S 55°21'W, 10,868.88 feet to Corner 2 of U.S. Survey 3945; thence,

(2) S 34°34'E, 4250.40 feet to Corner 1 of U.S. Survey 3945; thence,

(3) S 5°06'E, 957.66 feet to Corner 2 of U.S. Survey 2537-B, identical with Corner 15, U.S. Survey 3945; thence,

(4) S 5°05'30"E, approximately 260.74 feet, more or less, to a point intersecting with the Northerly ROW of the Abbert Highway; thence,

(5) along the said ROW in a Westerly and then Southerly direction to a point located upon the common boundary of Public Land Orders 5566 (parcel 2) and 5550, located within U.S. Survey 1673; thence,

(6) S 45°00'E, 2000 feet; thence,

(7) Southeasterly 3,280 feet, more or less, to point "A", said point "A" lying: S 15°34'E, 1,290 feet, more or less, to the center of the channel of St. Paul Harbor from the Southwest corner of Lot 6, Block 20 of U.S. Survey 2537-B; thence,

(8) N 58°06'E, 7,470 feet to a point in the channel North of the Easterly tip of Crooked Island; thence,

(9) N 0°50'W, 1,644.7 feet to a point located in the channel between Near Island and Holiday Island; thence,

(10) N 42°22'E, 5,200 feet, to Point "B", said point "B" lying: S 42°22'W, 3,037.1 feet, more or less, from a point on an

isolated rock which bears S 31°50'E, 191.95 feet from WC 6 MC, U.S. Survey 1822, said point also lying S 32°24'E, 1,162 feet, more or less, from MC 6, U.S. Survey 2873; thence,

(11) N 32°24'W, to a point in the channel which is 1,000 feet from the mean high water line of Kodiak Channel; thence,

(12) along a line, 1000 feet seaward, from the meander line of mean high water in a Northeasterly and then Northwesterly direction to a point 1,000 feet Northerly from the most Northerly tip, at mean high water, of Spruce Cape; thence,

(13) continuing along a line, 1,000 feet seaward, from the meander line of mean high water, proceeding around Mill Bay in a Southwesterly, Northwesterly, and then Northeasterly direction, to a point which is located upon the projected extension seaward of the Northern boundary of Lot 17, Block 1, Second Addition of Miller Point Subdivision, plat approved 11/23/66, said boundary being more specifically described as a line bearing S 73°01'E from the Division of Lands Witness Corner monument located 15 feet West of the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(14) N 73°01'W, 1,000 feet to the Northeast Corner of Lot 17, Block 1, of said subdivision; thence,

(15) N 73°01'W, along the Northerly boundary of Lot 17, Block 1, of said subdivision, 327.41 feet, and continuing on approximately the same bearing an additional 1728.59 feet to WC 6 of Lot 3, U.S. Survey 3462; thence,

(16) S 47°56'W, 2551.56 feet to Corner 1, Lot 3, U.S. Survey 3462, identical to the East Corner of Lot 3 of Block 6, Monashka Bay Subdivision, plat approved 9/19/67; thence,

(17) S 45°42'59"W, 295.41 feet, to the South Corner of Lot 3, Block 6 of said subdivision; thence,

(18) N 44°05'04"W, approximately 115 feet, along the Southwesterly boundary of Lot 3, Block 6 of said subdivision to a point which bears N 50°13'26"E from the South Corner of

Lot 7, Block 5, of said subdivision; thence,

(19) S 50°13'26"W, across Otmeloi Way to the South boundary of Lot 7, Block 5, of said subdivision, and continuing along the Westerly ROW of Lake View Drive, 4,433.17 feet, more or less, to the Southeast Corner of Lot 7 of Block 8 of the Monashka Bay Subdivision, plat approved 9/19/67; thence,

(20) S 79°11'50"E, 569.59 feet, to Corner 5 of U.S. Survey 3467; thence,

(21) S 23°54'W, 2500.01 feet, to Corner 4 of U.S. Survey 3467, identical with Corner 4 of U.S. Survey 3468; thence,

(22) S 85°27'W, 746.33 feet, to Corner 3 of U.S. Survey 3468, identical with Corner 3 of U.S. Survey 2538-A; thence,

(23) S 55°21'W, 1893.54 feet, to Corner 4 of U.S. Survey 3945; thence,

(24) N 34°39'W, 2811.6 feet to Corner 3 of U.S. Survey 3945, the true point of beginning.

In accordance with Article X, Section 12, of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the legislature or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

JUNEAU, ALASKA

RECOMMENDATION FOR CORRECTING AN ERROR IN THE PRESENT CORPORATE BOUNDARY DESCRIPTION OF THE KENAI PENINSULA BOROUGH

SUBMITTED TO THE ELEVENTH LEGISLATURE,

FIRST SESSION ASSEMBLED

SUBMITTED JANUARY 23, 1979

RECOMMENDATION FOR CLARIFICATION OF SOUTHEASTERLY BOUNDARY

of the

KENAI PENINSULA BOROUGH

WHEREAS, the Local Boundary Commission has requested that the boundary description of the Kenai Peninsula Borough, dated April 30, 1974, be corrected and clarified in the southeasterly part of the boundary description, in the general area of Sargent Ice Field and the Chugach National Forest Boundary; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Soldotna on Friday, January 12, 1979, to consider whether the boundary in question should be clarified and corrected; and

WHEREAS, after giving proper notice, the Local Boundary Commission held a public meeting in Yakutat on Thursday, January 18, 1979, reviewed the original boundaries, the proposed clarification, and all testimony prior to and during the January 12, 1979, public hearing; and

WHEREAS, the Kenai Peninsula Borough is in accord with the proposed clarification;

NOW, THEREFORE, the Local Boundary Commission recommends that, pursuant to Article X, Section 12, of the Alaska Constitution, and Alaska Statutes 44.19.260, the recommendation to clarify and correct the southeasterly boundary of the Kenai Peninsula Borough be approved and the following described boundary be adopted:

Beginning at Cape Douglas on the west side of Cook Inlet at the N.E. Corner of Sec. 27, T15S, R24W (projected), Seward Meridian, State of Alaska; thence West to the N.E. Corner of Sec. 29, T15S, R26W (projected); thence South to the S.E. Corner of Sec. 32, T16S, R26W (projected); thence West to the N.E. Corner of T17S, R28W (projected); thence South to the S.E. Corner of T17S, R28W (projected); thence West to the S.W. Corner of T17S, R32W (projected); thence North to the N.W. Corner of T17S, R32W (projected); thence West to the S.W. Corner of T16S, R32W (projected); thence North to the N.W. Corner of T13S, R32W (projected); thence West to the S.W. Corner of T12S, R32W (projected); thence North to the N.W. Corner of T11S, R32W (projected); thence East to the S.W. Corner of T10S, R30W (projected); thence North to the N.W. Corner of T9S, R30W (projected); thence East to the S.E. Corner of T8S, R29W (projected); thence North to the N.E. Corner of T8S, R29W (projected); thence East to the N.E. Corner of T8S, R28W (projected); thence North to the N.W. Corner of T6S, R27W (projected); thence East to the S.W. Corner of T5S, R26W (projected); thence North to the N.W. Corner of T5S, R26W (projected); thence East to the S.W. Corner of T4S, R25W (projected); thence North to the N.W. Corner of T1S, R25W (projected); thence East to the S.W. Corner of T1N, R24W (projected); thence North to the N.W. Corner of T4N, R24W (projected); thence East to the S.W. Corner of T5N, R23W (projected); thence North to the N.W. Corner of T8N, R23W (projected); thence West to the S.E. Corner of T9N, R24W (projected); thence North to the N.E. Corner of T12N, R24W (projected); thence West to the S.E. Corner of T13N, R24W (projected); thence North to the N.E. Corner of T15N, R24W (projected); thence East to the N.E. Corner of T15N, R12W (projected); thence South to the N.W. Corner of T13N, R11W (projected); thence East to the N.E. Corner of T13N, R10W (projected); thence South to the S.E. Corner of T13N, R10W (projected), said Corner being in Cook Inlet at Longitude 150°58'18"W, Latitude 61°10'00"N; thence Southeasterly to the S.E. Corner

of T12N, R9W (projected), said Corner being in Cook Inlet at Longitude 150°46'37"W, Latitude 61°04'49"N; thence Northeasterly to the N.E. Corner of T12N, R7W (projected), said Corner being in Cook Inlet at Longitude 150°26'01"W, Latitude 61°10'01"N; thence Southeasterly to the N. E. Corner of T11N, R6W (projected), said Corner being in Turnagain Arm at Longitude 150°14'40"W, Latitude 61°04'49"N; thence East to the N.E. Corner of T11N, R5W (projected), said Corner being in Turnagain Arm at Longitude 150°04'01"W, Latitude 61°04'49"N; thence Southeasterly to the N.E. Corner of Sec. 24, T10N, R2W (projected), said Corner being in Turnagain Arm at Longitude 149°32'05"W, Latitude 60°57'01"N; thence Southeasterly to the N.E. Corner of T9N, R1W (projected), said Corner being in Turnagain Arm at Longitude 149°21'26"W, Latitude 60°54'25"N; thence East to the N.E. Corner of T9N, R1E (projected), said Corner being in Turnagain Arm at Longitude 149°10'48" West, Latitude 60°54'25" North; thence Southeasterly to the N.E. Corner of Sec. 15, T9N, R2E (projected), said Corner being in Turnagain Arm at Longitude 149°03'41"W, Latitude 60°52'41"N; thence Southerly to the N.E. Corner of Sec. 26, T9N, R2E (projected), said Corner being in Turnagain Arm at Longitude 149°01'55"W, Latitude 60°50'57"N; thence South to the S.E. Corner of Section 35, T9N, R2E (projected); thence West to the N.E. Corner of Section 2, T8N, R2E (projected); thence South to the N.E. Corner of Sec. 2, T7N, R2E (projected); thence East to the N.E. Corner of T7N, R4E (projected); thence South to the S.E. Corner of T5N, R4E (projected); thence West to the N.E. Corner of T4N, R4E (projected); thence South to the N.E. Corner of Sec. 25, T4N, R4E (projected); thence East to the S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E (projected); thence Southerly to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (projected); thence West to the N.E. Corner of the N.W. 1/4 of Sec. 3, T1S, R5E (projected); thence Southerly to the S.E. Corner of the N.W. 1/4 of Sec. 27, T1S, R5E (projected); thence West to the S.W. Corner of the

N.W. 1/4 of Sec. 27, T1S, R5E (projected); thence South to the N.E. Corner of Sec. 9, T3S, R5E (projected); thence Southwesterly to the S.E. Corner of Sec. 7, T3S, R5E (projected), said Corner being at or approximately at Cape Junken; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 4, T4S, R1E (projected), said Corner being at or approximately at Barwell Island; thence Southwesterly to the N.E. Corner of the S.E. 1/4 of Sec. 17, T5S, R1W (projected), said Corner being at or approximately at Pilot Rock; thence Southwesterly to the S.W. Corner of the S.E. 1/4 of Sec. 33, T7S, R2W (projected), said Corner being at or approximately at Seal Rock; thence Southwesterly to the N.W. Corner of Sec. 14, T10S, R7W (projected), said Corner being at or approximately at Pye Reef; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 28, T11S, R10W (projected), said Corner being at or approximately at Gore Point; thence Southwesterly to the S.E. Corner of the N.E. 1/4 of Sec. 27, T12S, R13W (projected), said Corner being on or approximately on the Southerly point of East Chugach Island; thence Southwesterly to the S.E. Corner of Sec. 31, T12S, R14W (projected), said Corner being at or approximately at Perl Rock; thence Southwesterly to Longitude 153°00'00"W, Latitude 59°02'00"N, in Cook Inlet; thence Southwesterly to the place of beginning at Cape Douglas, containing 25,600 sq. mi. more or less.

Together with all State waters lying within and appurtenant to the above described boundary; EXCEPT, all waters lying more than three miles Southerly of the boundary line between Perl Rock at or approximately at the S.E. Corner of Sec. 31, T12S, R14W (projected) and Longitude 153°00'00"W, Latitude 59°02'00"N. in Cook Inlet, and the N.E. Corner of Sec. 27, T15S, R25W (projected), at Cape Douglas, Southwesterly offshore jurisdiction terminates at a line beginning at the N.E. Corner of Sec. 27, T15S, R24W (projected), at Cape Douglas; and extending S62°30'00"E three miles.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

February 8, 1979

The Honorable Arliss Sturgulewski, Chair
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

The error in the description of the southeasterly boundary of the Kenai Peninsula Borough was brought to our attention by the United States Department of Agriculture, Forest Service. This boundary is located in a very remote area and, thus, the erroneous description was not discovered for these many years. The enclosed report from the United States Department of Agriculture, Forest Service provides a detailed account of the situation.

A public hearing was held in Soldotna on January 12, 1979 by the Local Boundary Commission (LBC) to consider this question. The LBC held a decisional meeting on January 18, and recommended to clarify and correct the southeasterly boundary of the Kenai Peninsula Borough.

The Kenai Peninsula Borough supports the amendments correcting this boundary description and since the area affected is not presently inhabited, we concur with the Borough's position and feel that speedy resolution of this situation is in the best interest of the State and the Kenai Peninsula Borough.

Sincerely,

Lee McAnerney
Commissioner

Palmer McCarter by mmp

by: Palmer McCarter
Director

Enclosure

21-P2LH

KENAI PENINSULA BOROUGH BOUNDARY December 1, 1978

In the process of compiling changes to be made in Topographic Quadrangle Seward B-5, it was noted that the description of the Kenai Peninsula Borough, dated April 30, 1974, southeasterly part, had an anomaly in the use of the Chugach National Forest Boundary to amplify portions of the description.

In two cases in this portion of the description, a corner is established using a land survey corner, and then is amplified by stating a latitude and longitude. In both cases, the latitude and longitude is incorrect, as determined from Bureau of Land Management Protraction Diagrams S15-2 and S14-11. The corners are as follows:

S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E.
Borough Boundary Description:
LAT: 60° 25' 00" N
LONG:148° 33' 00" W
(This latitude and longitude is stated as being on the Chugach National Forest Boundary, which it is.)
Correct description from BLM Protraction Diagram S14-11
LAT: 60° 24' 56.923" N
LONG: 148° 33' 42.146" W

S.E. Corner of the N.W. ¼ of Sec. 27, T1S, R5E.
Borough Boundary Description:
LAT: 60° 02' 00" N
LONG: 148° 33' 00" W
(This latitude and longitude, as stated in the description, is on the approximate Chugach National Forest Boundary)
Correct description from BLM Protraction Diagram S15-2
LAT: 60° 03' 42.949" N
LONG: 148° 34' 11.811" W

Further study showed that the portion of the borough boundary line between these points did not take into account the east-west correction of the section lines as they cross the Seward Base Line.

It was further noted that the term "(projected)" was used following each use of a Section type corner; e.g. "N.E. Corner of Sec. 26, T9N, R2E (projected)." The term probably intended is "protracted", meaning a land survey corner established on paper but not in the field.

It was also noted that in some cases, the term "South" was used to describe the direction along a section line. In other cases, the term "southerly" is used. The term "southerly" is more correct, since except at the township boundaries, the section lines are not true North-South lines.

The intent of the boundary line appears clear, and this intent is shown on the Seward A-5 Quadrangle, where the borough boundary can be seen not to follow the Forest Boundary, and it shows a correction at the Seward Base Line. (Copy of Seward A-5 attached.)

The existing description of the area in question is:

".....N. E. Corner of Sec. 25, T4N, R4E (projected); thence East to the S. E. Corner of the S. W. 1/4 of Sec. 22, T4N, R5E (projected), said corner being on the Chugach National Forest Boundary at Longitude 148°33'00"W, Latitude 60°25'00"N; thence southerly along the boundary line of said Chugach National Forest to the S. E. Corner of the N. W. 1/4 of Sec. 27, T1S, R5E (projected), said corner being on Longitude 148°33'00"W, Latitude 60°02'00"N; thence West....."

Suggested changes in the description are as follows: (additions are underlined; deletions are crossed out.)

".....N. E. Corner of Sec. 25, T4N, R4E ~~(projected)~~ (protracted); thence East to the S. E. Corner of the S. W.1/4 of Sec. 22, T4N, R5E ~~(projected)~~ (protracted); ~~said corner being on the Chugach National Forest Boundary at Longitude 148°33'00"W, Latitude 60°25'00"N;~~ thence southerly ~~along the boundary line of said Chugach National Forest~~ to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (protracted); thence West to the N.E. corner of the N.W. 1/4 of Sec. 3, T1S, R5E (protracted); thence southerly to the S.E. Corner of the N. W. 1/4 of Sec 27, T1S, R5E ~~(projected)~~ (protracted); ~~said corner being on Longitude 148°33'00"W, Latitude 60°02'00"N;~~ thence West....."

The description of the area in question would then read:

".....N.E. Corner of Sec. 25, T4N, R4E (protracted); thence East to the S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E (protracted); thence southerly to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (protracted); thence West to the N.E. Corner of the N.W. 1/4 of Sec. 3, T1S, R5E (protracted); thence southerly to the S.E. Corner of the N.W. 1/4 of Sec. 27, T1S, R5E (protracted); thence West....."

Received from the U S Forest Service

RECEIVED
DEPT. OF ... REG. AFFAIRS
DATE DEC 4 1978

File w/ our blue jacketed
copy of Kenai Peninsula
Local Bdry Commission
regst. dis'a.Ked for a
letter from Kenai Borough
re their ok of adj. lands
at annex - Cdl got a
memo to file

91

February 12, 1979

TO: The Honorable Clem Tillion
President, State Senate

FROM: Arliss Sturgulewski, Chairman
Senate Community & Regional
Affairs

RE: Kenai Local Boundary Recommendation

The Senate Community and Regional Affairs Committee held a meeting 1:30 p.m., February 8, 1979, to discuss the Kenai Boundary Recommendation as presented to the Legislature by the Local Boundary Commission. All members present decided to take "no action," thereby letting this recommendation go into effect.

This notification hereby closes our Committee file.

1/25/79

Dm Gelman, Kenai Peninsula Borough

101-76r-4441

Clyde Bartley
Admin Asst.

Dm will be out of town mtg 28th. Concurs w/ the rec. of the Bdry Comm. Would send us letter -- whatever. Said only 2 people showed at p.h. (Don't bother) -- both opposed.

note - Mulcahy O.S. 10-12 days
beginning 2/16
back to 2/10 for p.h. Folder
Clerk types from Local Bdry Com.
going to ~~Dan~~ Bill Parker.

1/30/79 Rec'd rec. letter for file re local Bdry Commission report regarding Kenai and Kodiak Cluster. Clyde Bartley, Dm Gelman advised to send letter

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

February 8, 1979

The Honorable Arliss Sturgulewski, Chair
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

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The Kenai Peninsula Borough supports the amendments correcting this boundary description and since the area affected is not presently inhabited, we concur with the Borough's position and feel that speedy resolution of this situation is in the best interest of the State and the Kenai Peninsula Borough.

Sincerely,

Lee McAnerney
Commissioner

Palmer McCarter by mmp

by: Palmer McCarter
Director

Enclosure

21-P2LH

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S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E.

Borough Boundary Description:

LAT: 60° 25' 00" N
LONG: 148° 33' 00" W
(This latitude and longitude is stated as being on the Chugach National Forest Boundary, which it is.)

Correct description from BLM Protraction Diagram S14-11

LAT: 60° 24' 56.923" N
LONG: 148° 33' 42.146" W

S.E. Corner of the N.W. ¼ of Sec. 27, T1S, R5E.

Borough Boundary Description:

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LONG: 148° 33' 00" W
(This latitude and longitude, as stated in the description, is on the approximate Chugach National Forest Boundary)

Correct description from BLM Protraction Diagram S15-2

LAT: 60° 03' 42.949" N
LONG: 148° 34' 11.811" W

Further study showed that the portion of the borough boundary line between these points did not take into account the east-west correction of the section lines as they cross the Seward Base Line.

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It was also noted that in some cases, the term "South" was used to describe the direction along a section line. In other cases, the term "southerly" is used. The term "southerly" is more correct, since except at the township boundaries, the section lines are not true North-South lines.

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The existing description of the area in question is:

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Suggested changes in the description are as follows: (additions are underlined; deletions are crossed out.)

".....N. E. Corner of Sec. 25, T4N, R4E ~~(projected)~~ (protracted); thence East to the S. E. Corner of the S. W.1/4 of Sec. 22, T4N, R5E ~~(projected)~~ (protracted); ~~said corner being on the Chugach National Forest Boundary at Longitude 148°33'00"W, Latitude 60°25'00"N;~~ thence southerly ~~along the boundary line of said Chugach National Forest~~ to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (protracted); thence West to the N.E. corner of the N.W. 1/4 of Sec. 3, T1S, R5E (protracted); thence southerly to the S.E. Corner of the N. W. 1/4 of Sec 27, T1S, R5E ~~(projected)~~ (protracted); ~~said corner being on Longitude 148°33'00"W, Latitude 60°02'00"N;~~ thence West....."

The description of the area in question would then read:

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Received from the U.S. Forest Service
RECEIVED
DEPT. OF [illegible] AFFAIRS
DATE DEC 4 1973

JOINT C/RA COMMITTEES PUBLIC HEARING/ Kodiak Boundary as recommended by the Local Boundary Commission, February 10, 1979, in Kodiak.

Meeting Called to Order 2:05 / adjourned 6:35 P.M.

Those who testified:

Alaska Local Boundary Commission Presentation (20 Minutes)
Sig Strandberg, member of Commission

City of Kodiak Presentation (20 Minutes)
Clair Harmony, City Manager
Wilton White, City Council Member

Borough of Kodiak Island Presentation (20 Minutes)
Betty Wallin, Mayor
Joan Katz, Attorney

Public:

Kyle Cherry, Dept. Envir Cons.
E.E. Erwin, Box 1247
Norman D. Wooten, Box 3016
William Bulen, Box 442, (Kodiak Sanitation)
Ed Jack, Box 1494
Neil Sargent, Box 121
Marvie Heine, Box 1232
Lorna-Lee Arndt, Box 2069 (Island Lake Group)
Louis (Burnie) Lindsey, Box 951
Jo Hajdu, Box 627 (Borough Residents for Autonomy)
Tom Sweeney, Box 1395
Chuck Powell, Box 605 (Chamber of Commerce)
T.T. Jackson, Box 1215
Martha D. Randolph, Box 414
Dewitt Fields, Box 25
Tom Simpler, Box 465
June Juelson, Box 286
Dick Juelson, Box 286
Carol Lechner, Box 1616 (City Council)
David Hall, Box 1122 (Did not appear)
Danforth Ogg (self- (Assemblyman)) (5 minutes)
Box 2754
Gaynell Hatcher, Box 57 (City Council)
Jack McBride, Box 2007 (Relinquished Time)
Jim Poulos, Box 2702
Dorothy Poulos, Box 2702 (Relinquished Time)
Pat Szabo, Box 1633 (Also read letter from Mr./Mrs. Wm. Ross)
Peter Bailey, Box 3
William Barker, Box 2135
Richard Sims, Box 2705
Gerold Sudenak, Box 2942 (Did not appear)
MARIAN Johnson
Okey Chandler, Box 1635 (self & Don Mack)
Kay Poland, Box 45
Ian Fulp, Box 2306 (Read into record)
Tom Logan, Box 1482
Bob Brooks, Box 232 (self & wife)
Dallas Paden, Box 2674
~~Obel Onlid~~, Box 545 (self & Sid Onlid)
OLAF OHLid

wife would like to be represented as Kodiak Island Borough Council

Henry Legrew, Box 547
Dr. Bob Johnson, Box 1727
James Duros, Box 867 (Spruce Cape)
Douglas Dawson, Box 997
Daniel Busch, Box 1162
William J. Glynn, Jr., Box 2615
John A. Parker, Box 191
Gary Stevens, Box 201 (City Mayor)
Duane Freeman, Box 902
Tom Healey, Box 1676
Tony Perez, Box 6
Emil Norton, Box 1002 - Appointed by City Mgr.

John Witteveen

(1)

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

TESTIFY SHEETS:

PLEASE PRINT NAME	MAILING ADDRESS (Kodiak, Ak. 99615)		IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME	
E. & Erwin ERWIN	Bx 1247	K		3
NORMAN D. WOOTEN	BOX 3016	K		3
WILLIAM BUREN	Box 442	K	KODIAK SANITATION	3
Ed Jack Jack	Box 1494	K		3
Neil Sargent	Box 121	K		3
Marvin Heino	Box 1232	K		3
LORNA-Lee ARNDT	Box 2069	K	Island Lake Group	5
Louis (Burnie) Lindsey	Box 951	K		3
JC HAJDU	Box 627	K	Refuge Residents for Autonomy	5
TOM SWEENEY	BOX 1395	K		3
Chuck Jones	Box 605	K	Chamber of Commerce	5
Bill D. Jackson	Box 1215	K	Self	3
Virginia L. Randolph	Box 414	K	Self	3
Donald Lucille FIELDS	~~Box~~ 25	K		3
TOM Simpler	Box 405	K	Self	3
June Judson	Box 286	K	Self	3
DICK JUELSON	Box 286	K	Self	3
CAROL LECHNER	BOX 1616	K		3
David Hall	Box 1122	NE	Self.	3
R. ~~DAN~~ OGG 2/	BOX 1246	one vote	BORO ASSEMBY?	
DANFORTH OGG 3	BOX 2754	K		3
Gaynell Hatcher	Box 57	K	City Council	?
Josh McBride	Box 2007	Refuge tenant	Shahatka Haves-Self	?
Jim Poulos ~~Dorothy~~	Box 2702	K	Spruce Cape	3
Dorothy Poulos	Box 2702	Refuge tenant	Spruce Cape	3

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

(2)

TESTIFY SHEETS:

PLEASE PRINT NAME	MAILING ADDRESS (Kodiak, Ak. 99615)	IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME	
PAT SZABO	Box 1633, K	Also reading letter for Mr & Mrs Wm. Ross	3
PETER BAILEY	Box 3 K		3
William Barker	Box 2135 K		3
RICHARD S. MS	Box 2705 K		3
Gerald Lukeman	RR 2 9 1/2 Dist Kodiak		3
MARIAN JOHNSON	Box 1727. K		3

(3)

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

TESTIFY SHEETS:

PLEASE PRINT NAME	MAILING ADDRESS (Kodiak, Ak. 99615)		IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME
OKEY-CHANDLER	Box 1635	~~4~~	myself & Don Mosch
Kay Poland	Box 45	4	
Ian Fulp	Box 2306	Redoubt Island	
Tom Lucan	Box 1483	4	
Bob Brooks	Box 232	4	Myself + Wife
Dallas Lyden	Box 2074	4	Myself
Chuck Ostrander (on behalf)	Box 546	4	myself & Bud Orbeck
Henry J. Le Sueur LE DREW	Box 547	4	myself
Bob Johnson	Box 1727	4	myself
James Dreso Duncan	Box 607	4	Spruce Cape
Douglas Dawson	Box 951	4	ISLAND LAKE - SELF
~~Ray Fletcher~~			
John Williamson		4	

(4)

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

TESTIFY SHEETS:

PLEASE PRINT NAME	MAILING ADDRESS (Kodiak, Ak. 99615)	IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME
Daniel Busch	Box 1162 4	
William J. Glynn Jr	Bx 2615 4	
John A Parker	Bx 191 4	
Gary Stevens	Box 201 4 (City maybe)	
Duane Freeman	4	
#		

Rep. Metcalfe for Carol Lechner.

5

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

TESTIFY SHEETS:

PLEASE PRINT NAME	MAILING ADDRESS (Kodiak, Ak. 99615)	IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME
Tom Healey	Box 1676 Kodiak 99615	"
Tony Perez	P.O. Box 6 Kodiak	"

KODIAK PUBLIC HEARING
BY HOUSE/SENATE C/RA COMMITTEES

TESTIFY SHEETS:

PLEASE PRINT NAME	MAILING ADDRESS (Kodiak, Ak. 99615)	IF REPRESENTING A GROUP OR ORGANIZATION, PLEASE PRINT NAME
EMIL NORTON	BOX 1002	SELF

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10.

Agenda:

2:00 Call to Order

Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation Sig Strandberg

2:35 City of Kodiak Presentation - Claire Harmony
Willow White City Council.

2:55 Borough of Kodiak Island Presentation MAYOR Betty Wallin
JOAN KATZ

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

6'35 See Sign in Sheet
Adjournment

Kyle Cherry / City.

Wallin

TESTIMONY OF BETTY WALLIN,
MAYOR OF THE KODIAK ISLAND BOROUGH
BEFORE THE HOUSE AND SENATE COMMITTEES ON
COMMUNITY AND REGIONAL AFFAIRS
REGARDING THE PROPOSED ANNEXATION
BY THE CITY OF KODIAK OF
THE MILL BAY ROAD & MISSION ROAD AREAS

I am Betty Wallin, Mayor of the Kodiak Island Borough. I'd like to welcome you to Kodiak and take this opportunity to thank you for bringing your hearing here so that the people affected may speak to you directly.

The citizens living in the annexation area have very specific grievances against the City and reasons for believing that annexation would be contrary to their interests. As mayor for all the citizens of the Borough, inside and outside the City, my perspective on annexation is perhaps more broadly based. I firmly believe that annexation should not be allowed to proceed for two reason: first, it would constitute a travesty of our democratic processes; second, it would sound the death knell for unification.

It is possible that you will hear today from a few individuals claiming to support annexation. But virtually all who have contacted me -- and there have been many -- have expressed strong opposition to this proposal. They have argued over and over again against the unfairness of having this decision made without the benefit of a vote of the people concerned. (We complain about the federal government controlling our lands without understanding our needs and heeding our voice. How different will it be if the State, through its Local Boundary Commission, decides the fate of the residents of the annexation territory without appreciation for their needs and knowledge of how they might vote?)

I have had no answer for the citizens who approached me with their concern. I have found myself in complete accord with their views. Were this a case where residents were clearly in support of annexation, or apathetic in their attitude, the Local Boundary Commission's omnipotent role would be more palatable. But, obviously, this is not such a case. We ask the help of you, our elected representatives in bringing democracy to the annexation process.

I have, as indicated, a second problem with this annexation. It derives from an aspiration I hold for Kodiak, a hope for its future which would avoid problems such as this in the days and years to come. This hope is for unification.

We held an election on unification last October, in the midst of all this controversy. The proposition was defeated. But the tallies on either side were not terribly far apart. Given a little more time to explain to the people what unification could do for Kodiak Island, I am convinced the outcome would be different. I am equally convinced that unification is the only sensible, constructive way to go for this City and this Borough. And I am just as firmly convinced that it will not come to pass if this annexation takes place.

For the sake of democracy, for the sake of all those people whose interests would be adversely affected, and for the hope for the future -- unification -- I ask that Committee members recommend passage of Senator Mulcahy's and Representative Zharoff's respective resolutions.

Thank you for your consideration.

TESTIMONY OF NORMAN D. WOOTEN

BOX 3016
KODIAK, ALASKA
99615
486-4415

Februrary 10, 1979

My greatest concern over this entire matter is the fact that we as residents had no say in a decision that has so much effect on us. If an election were to be held in the area and the people were for the annexation then I would abide with that decision.

I own and reside on a one acre lot in the Dark Lake area. This lot is covered with spruce trees and berry bushes. I and my neighbors plow and maintain our own road. I haul and dispose of my own trash. Certainly this is extra work and less convenient for me than if I were in the city and entitled to all these services as a citizen. I purposely chose this lifestyle though. I desire to live in an uncongested area such as I do for several reasons. My two small daughters have the run of a fairly large area without me having the worries of a typical "town" parent of traffic-pedestrian hazards. My dog is free to roam over this same area without the city animal restrictions. I'm able to enjoy a clear view of the lake.

What does all this have to do with annexation? Even though according to city publicity I am to be in the zone paying 35% of assessed tax rate I am uncomfortable with this promise. If and when the time arrives that I am to pay full taxation I am not at all certain I will be able to afford the tax on a one acre lot. If my property were valued at $50,000.00, my present tax at 7.0 mills would be $350.00 per year. Under the city assessment of 16.1 mills it would jump to $855.00 per year plus the assessments for any proposed improvements in services. This being the case I would have to subdivide to be able to retain a place to live that I could afford. This is an unacceptable risk to me.

PRESENTATION FOR

JOINT COMMITTEES OF COMMUNITY & REGIONAL AFFAIRS

KODIAK, ALASKA FEBRUARY 10, 1979

BY WILLIAM H. BULEN, PRESIDENT KODIAK SANITATION, INC.

HONORABLE SENATORS AND ASSEMBLYMEN
LADIES AND GENTLEMEN

My name is William Bulen. My son Richard Bulen and I own and operate Kodiak Sanitation, Inc.. We have a lot of interest in the matter before you and obviously most of it is financial. Therefore, asking us how we feel about the matter is like getting a wolf to watch the sheep.

However, there is one aspect to the present situation which we think is grossly unfair and I will confine my remarks to this problem.

We have many complaints from our commercial customers regarding the unauthorized use of dumpsters. Only this week I received a call from someone at Kodiak Community College asking what they could do to stop people from using their dumpster. I had to advise them that for all practical purposes their only recourse was to talk to the people involved. As you can understand, this would serve no purpose beyond causing the offenders to find another dumpster.

In the area you are considering today we serve 89 homes and all trailer parks. We estimate that there are 315 additional residential units in the area, which are the ones without refuse service. Some of these people take their trash to the dump but a large percentage of them take it to town and place it in a convenient dumpster. The other day I heard someone remark that they had seen someone transfering trash to the dumpster at the new Post Office while people in two other cars waited to do likewise.

I do not mean to infer that all borough residents are garbage freeloaders but I will have to admit that even some of my friends are numbered among them. For some strange reason, otherwise honest people will not hesitate to steal service.

The only practical solution to this and other garbage related problems is mandatory garbage service, which would be achieved by annexation. In this we do have a financial interest so I will say no more.

Thank you

TAX CONSULTANT
ACCOUNTANT
PHONE: 486-3959
BOOKKEEPER

"Jo" Hajdu
P. O. Box 627
Kodiak, Alaska 99615

February 11, 1979

Joint Committee Hearing
Senate & House Community & Regional Affairs Committees
Kodiak, Alaska

Members of the Legislature, Ladies and Gentlemen:

I am appearing before you today both as a spokesman for the Borough Residents for Autonomy and as a resident, property owner and business person in the Spruce Cape area. So I would like to speak both in general terms and also as to how annexation might affect me as an individual residing in the area proposed for annexation.

First of all, it seems to us as a group that the only instance in which the Boundary Commission should exercise its statutory right to force an annexation without an assenting vote by the people affected by their decision should be in a circumstance where it can be clearly and irrefutably documented that there is an overriding public need. This is not the case in Kodiak. Testimony at the public hearings has been conflicting and documented facts are nearly non-existent. No detailed study has been performed by any independent agency as to the true costs to the residents of the area proposed for annexation, nor to the residents of the existing City of Kodiak. No time schedule for the provision of services had been furnished the Boundary Commission at the time of its decision. At no time has there been a real dialogue between the City administration and representatives of the area proposed for annexation (who have not been hand-picked by the City) as to what services they desire, if any.

The decision of the Boundary Commission appears to have been based on several assumptions:

1. That there is a need for water and sewer services in the area proposed for annexation.

2. That the residents of the area proposed for annexation are enjoying City services without paying their share of the costs.

3. That annexing this large area into the City would reduce conflicts between City and Borough governments and provide for greater efficiency.

4. That since many of us do our shopping and find employment in the City of Kodiak, that it is only logical that we should be governed by its administration.

It is certainly true that certain areas are in dire need of water and sewer. However, by far the greater portion is very large lots, sparsely settled. Individual water and sewer systems have been installed and are functional. Also, the City has indicated that it is beyond its physical and economic capability to provide sewer to these sparsely populated tracts. The residents have voted for

for a service district so that the services can be furnished only where they are wanted and needed, and where the residents have indicated a willingness to pay for them. When the City accepted Federal funding for the sewerage treatment plant, it also committed itself to extending sewer service to this entire area regardless of the political boundaries. The costs, of course, are borne by the users and not by the general taxpayer.

Insofar as our not paying our own way, let me cite my specific example. My residence and office on Spruce Cape Road are served by City water. We pay a premium due to our location outside the City. We have our own EPA approved septic system. We are on a State road, which is very well maintained by the Highway Department, and for which the State would continue to pay if we were annexed. The State Troopers responded promptly on the one occassion in twenty-two years when they were called. Our fire protection is through the auspices of a service district. When enough of us feel that we want a higher digree of fire protection, we alone will bear the costs of a sub-station. We enjoy being out of the heavily populated area with our children and our pets. So far, my clients have been willing to drive the extra distance for the accounting services I provide them.

As I see it, I will be paying an additional 6.8 mills, or $1,300 in my particular case, for the privilege of using the City Library, which I do not use at the present time. There will be no reduction in the taxes I pay to the State when the Troopers are replaced by City Police and the costs of road maintenance will continue to be borne by the State. If and when the municipal sewer crosses my land, I will also pay my full share for this (as I would if I remained outside the City). I am an avid reader, but I can buy many books to increase my own library for $1,300.

In addressing the point of efficiency of government, although the existing City-Borough conflict is at times distressing, it is an effective system of checks and balances. I don't need to remind any member of this committee that the most efficient form of government is a dictatorship. One of the beauties of our democratic form of government is that if the people living under that government really don't like it, then we ourselves have the option to change it by opting for unification or simply by "throwing the rascals out".

The Legislature has just appropriated ~~1-1/2~~ 3 million dollars toward a joint effort with Governor Hammond to convince the great white fathers in Washington, D.C. that even in their infinite wisdom they might not always know just what is right for the people of Alaska. Yet the Boundary Commission has decided that they are the persons best qualified to know what is best for us in Kodiak, despite overwhelming testimony from the people involved that they were opposed to the action being considered. I ask you to consider the implications.

Finally the argument has been advanced that we should be annexed since the City of Kodiak furnishes the shopping facilities for most of us. I do in fact, do most of my buying there, putting approximately $2,000 of sales tax into the City's general fund between business and personal purchases. But please bear in mind that most of the merchandise sold in the City of Kodiak originates in the Port of Seattle. While I have seen some editorializing that Kodiak Island might consider seceeding from the State of Alaska, I haven't heard any serious discussion of the entire island being annexed to Seattle!

Thank you very much for coming so far to hear us out.

Jo Hajdu

T. T. JACKSON
P. O. BOX 1215
KODIAK, ALASKA 99615

HONORABLE SENATORS AND REPRESENTATIVES:

THANK YOU FOR COMING.

I am T. T. Jackson, a continuous resident of Kodiak for thirty-seven years. I have a wife, Alma, and a son, Dell. We have a 100 unit Mobile Home Park outside the City of Kodiak. We are two miles from down town.

I am against annexation at this time. I am also against forming any service district.

I am for the City of Kodiak putting their house in order; that is, to pave all their streets that they now have; then annex Island Lake area and when that is brought up to the City standards; then advance with more annexation.

We, on Spruce Cape are not a burden to either the City or the Borough. Since the Borough was organized, not one cent of Borough money has been spent in the Spruce Cape area. The City of Kodiak has been very helpful with water and fire protection; however, we more than pay for these services. After the 1964 disaster, the Bureau of Docks & Yards built an 8 inch water main with fire hydrants for the Spruce Cape area, from the City Boundary on Mission Road for over two miles to the Loran Station on Spruce Cape Road; and the City took charge of these services and paid the Bureau of Docks & Yards $42,000.00. In turn we pay the City over 2 mills for fire protection and we pay 27 per cent more than the City of Kodiak residents do per unit for water.

I estimate that there are about 300 families on Spruce Cape - there are 8 Mobile Home parks and many other Mobile Homes out of parks and more parks being planned. At this time I will inform you that the City has an ordinance that prohibits Mobile Homes and even if the City desired it - it may be impossible to change this ordinance as they have been bonded under this ordinance.

Mobile Home Parks are self sufficient. That is they pay the same mill rate and water rate as other residences and businesses, but they receive no government aid. We build and maintain our streets, sewer and water systems and fire hydrants. No way can we become a burden to anyone. Spruce Cape pays annually approximately $90,000.00 to the City of Kodiak in Sales tax. I am sure none of this is returned to Spruce Cape. We are independent people who ask little and give much.

The State Legislators are noted for not listening to the people. One Example - ten years ago, the voters of Alaska asked, with a majority vote, for a Constitutional Convention. The Constituion of Alaska states that we are entitled to that convention, but ten years have passed and not even a mention of the Constitutional Convention. Here in Kodiak we have voted for NO ANNEXATION and NO SERVICE DISTRICT; now we are being told that the Constitution states that we must have one or the other. If the Legislators can ignore one part of the Constitution, then why not the other, or give us that Convention and let us make the necessary changes.

What our election here in Kodiak is telling you is that WE WANT LESS GOVERNMENT.

Are there any questions?

Yours TT Jackson

Carol Lechner
Public Testimony

I keep hearing that the democratic process has not been properly executed because the area in question for annexation did not get to vote on whether they wanted or did not want annexation. What about the person who wants annexation because his neighbor's sewer is running in his front yard and the same neighbor does not want annexation because he lives at the top of the hill? Or, the people that want annexation because Island Lake can no longer be used as a true recreational site because of polution? what are these victims' rights?

The vote on service districts narrowly passed, the vote on non-area wide powers failed, this means several thing to me--either the people already have the services provided by the City, or they want to continue existing with the problems they have, or they do not want the Borough to provide the services, or they feel it will cost them too much additional money. The problems will not go away and it will cost the people no matter who provides these services.

Who is better able to provide these services? The City presently has full services, sure they have some problems but nobody is perfect. I would venture to say every city in the U.S. has their problems. The City has vested many dollars in equipment and manpower, in my opinion, to have good, well trained personnel in these departments. People that know and understand the day to day routine of working and running these departments. In my opinion, it is beyond belief that a municipality who has never been in the business of public works, streets, fire or police could have the same knowledge--in 5 years time--to efficiently and effectively operate these services more economically then an established municipality with 39 years experience.

Services are costly enough without setting up two duplicate, full-service municipalities next door to one another. The area in question does not have the population or the bonding capacity based on their assessed valuation to warrent a separate full-service municipality. I feel the legislature would be doing a disservice to the whole area to create a situation such as that.

As an example, according to a breakdown by the City Finance Department, the City resident pays out of real property tax, .96 mills for fire services; whereas, the fire service district pays 2.23 mills for this service.

I believe further information on financing has been furnished to you in your information packet.

The City has, I feel, shown good faith in attempting to pre plan should annexation take place and has also addressed the concerns of the residents of the area. More information on this has also been provided to you.

It is questionable, according to State law, whether a new service district can legally be established if the new service can be provided by annexation to a City.

Thank you.

Box 1661
Kodiak Alaska 99615
10 Feb 1979

Dear Sirs:

Due to a prior commitment, my husband and I are unable to attend this meeting but want to go on record as being against this proposed annexation. We own Lots 13 + 15, Survey 3103 on the back side of Island Lake.

The city seems to conveniently forget why we have a water line in this area and more than once have been reminded at public meetings. I testified at the Boundary Commission meeting last fall that during the time Pete Deveau was mayor, the city did some work at the reservoir that put blue clay into the lake system. This blue clay was plugging filters on washers, and furnaces and was only a matter of time until these appliances would be ruined beyond repair. In order to avoid a law suit, a water line was run out here by the city. We were informed we would be charged a higher rate, the excess to be used for the maintenance and repair of the line.

When Jack Isadore was city manager, he called a meeting of the Island Lake and Shakafka Acres residents and tried to stampede us into asking for annexation. This meeting was held at East

Elementary school. He pointed out the inadequacies of the water line, the need for sewers etc. The final topper however was the statement that the city could not offer anything in the way of utilities at that time - I can't remember his exact words, but that was the gist of it.

We don't feel that the city can offer us ~~anything~~ any more at this time than they could then and therefore are against this proposed action

Thank you very much

Ellen Ross (Ellen Ross)

William Ross (William W. Ross)

TESTIMONY OF OKEY CHANDLER
BEFORE THE HOUSE AND SENATE
COMMITTEES ON COMMUNITY AND
REGIONAL AFFAIRS REGARDING
THE PROPOSED ANNEXATION BY
CITY OF KODIAK OF THE MILL BAY
ROAD AND MISSION ROAD AREAS

I, Okey Chandler, have been a citizen of Kodiak for 33 years. I have a tremendous personal investment in the democracy of this country, with over five years in the military, and a personal expenditure between $4,000 and $5,000 in public information efforts to keep it alive in Kodiak.

The root of our problem is that the City Council under its Home Rule Charter, has absolute powers. They can and do override referendums. At the focus of today's meeting I say to you emphatically, I resent the forced annexation effort.

The Mission Road and Spruce Cape Road area contains about 350 acres and is the resident place of 2/3 of the people who would be impacted negatively by the annexation effort. Between 75% and 80% of the people live in trailers. In the Island Lake area containing approximately 150 acres, the majority of the people live on the front side of Island Lake and in the vicinity of Naughton's Trailer Court on Mill Bay. The remaining area under consideration within the proposed annex area has very few people and some very large parcels of land with no people at all.

My personal experiences with the City have been very poor. When I lived in the Leite Addition at 1520 Mission Road, the City was engaged in building the sewer line. During the process of installation they broke the old sewer line and I of course asked

the City to hook me up. More than a year later, they completed the installation and during that time I was without sewer. When the installation was made, it didn't work. They told me the trunk line wasn't deep enough and it was necessary to install a line above ground. I asked the City to cover the line to keep it from freezing. The City Manager said "You can cover it yourself as it's on your land". The facility is still there today - above ground.

The history of real estate in the area is of considerable interest. More than thirty lots in the area have been repossessed for default of payments. These lots originally sold for prices ranging from a few hundred dollars to $2,000 or $3,000. Most of the lots beyond Mill Bay to the north are bought on the long-term installment plan. The people who live in this area are happy with what they have and most cannot afford, nor do they need, anything the City has to offer.

From the City's perspective, they continue to claim they are broke and as a result, they are incapable of taking care of the people currently living within the City, let alone those many persons in the proposed annex area. If this annexation becomes a reality, it will shatter the hopes and dreams of a lot of people. Many will lose their land and their homes as a result of tax burdens imposed by services that they neither need, nor can afford to pay for.

In 1969, it was discovered that about one half of the business establishments in the downtown area were not paying any taxes on their land. When the Borough tax assessor sent them a tax bill for 1969, they refused to pay and demanded to be excused

from the tax payment. The Borough Assembly, which at that time was dominated by City-oriented weighted voting, accommodated their request. This should be ample evidence that big business and the Chamber of Commerce completely dominated the local governments at the expense of the working people, even to the point that they have to pay City sales tax on their rent.

Okey Chandler
2-10-79

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

P.S. It is an interesting fact that there are over 3,500 acres of land in the City of Kodiak. Included in this land are hundreds of prime building lots, which to date have nothing constructed on them. So why do we need annexation?

To: Senator Arliss Sturgulewski

From: Ian Fulp

Date: Feb. 10, 1979

Re: Proposed Annexation

I own and reside on lot 9 in the Shahafka Acres Subdivision (Island Lake Area). The area in which I live is in desperate need of sewer service. I feel that annexation by the City is the best and most reasonable solution to this problem. I further feel that the ~~the~~ area to be annexed is so similar to the area within City limits that we are all residents of the City and recipients of City services whether ~~that~~ the coporate boundaries exclude us or not.

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
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2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

Kodiak, Alaska
2/10/79

Madam Chairmans,

I am opposed to annexation of the Island Lake area. I do not wish to be a part of the city. I feel that the government that governs the least governs the best. The city represent more government.

I appreciate the committee coming to Kodiak to take testimony. It helps restore my belief in the democratic process.

In closing, the least we deserve is a vote to decide if we should become a part of the city.

Duane Freeman
Island Lake
Kodiak, Alaska

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

We, the people residing within the boundaries of the area about to be forcefully annexed to the city of Kodiak, hereby petition the legislature, being the only authority with the power to grant us relief from this unsought, unwanted, arbitrary removal of Alaskan residents right of choice to our own form of government, to reverse the decision of the local boundary commission:

NAME	ADDRESS		DATE
Mark White	Box 1132	Island Lake	1/15/79
[illegible]	Box 1132	Island Lake	[illegible]
Karen White	Box 1132	Island Lake	[illegible]
[illegible]	Box 583	Old Seward	[illegible]
[illegible]	Box 583	[illegible]	[illegible]
[illegible]	P.O Box 2515	Island Lake	1-16-79
[illegible]	P.O Box 2515	[illegible]	[illegible]
[illegible]	P.O. Box 423	" "	1-16-79
[illegible]	P.O. 2781	" "	1-16-79
Shelby L. Long	P.O. 2781	Island Lake	1-16-79
[illegible]	P.O. 1334	" "	[illegible]
[illegible]	P.O. 2924	[illegible]	[illegible]
[illegible]	P.O. Box 2241	[illegible]	[illegible]
[illegible]	P.O. Box 289	Island Lake	[illegible]
[illegible]	P.O. Box 3033	Island Lk.	1/16/79
[illegible]	P.O. Box 3043	Island Lk.	1/16/79
Joel Gray	Gen Del.	Island Lk.	1/16/79
Sharon L Gray	" "	" "	1/16/79
[illegible]	P.O. Box 2772	I. L. Alaska	1/16/79
[illegible]	" "	" "	1/16/79
Madeline Kendall	Box 3116	Island Lake	1/16/79
[illegible]	Box 2772	Island Lake [illegible]	[illegible]
Estrada Pakan	Box 2843	Island Lake	1/16/79
[illegible]	Box 2843	Island Lake	1/16/79
Michael P Zamora	Box 1005	Island Lake	1/16/79
Cheryl Zamora	" "	" "	1/16/79
David M Hicks	Box 2466	Island Lake	1/16/79
Rebecca A Hicks	Box 2466	Island Lake	1/16/79
[illegible]	P.O. Box 37 Kodiak	" "	1/16/79
Agatha Zamora	P.O. Box 37 "	" "	1/16/79
[illegible]	[illegible]	[illegible]	1/16
Michelle M Boyle	Box 642	[illegible]	1/16

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS		DATE
Wink Cissell	Box 2192	Monashka Bay	1-4-79
Jeanette Cissell	Box 2192	"	1-4-79
Richard T. Laws	BX 2192	"	1-5-79
Steven Ramsey	Box 1612	"	1-5-79
Carol Ott	Box 972	"	1-5-78
Larry Allen	Box 972	"	1-5-78
Judith A. Wilson	Box 3562	"	1-5-79
Mary E. Steph	Box 2162	"	1-5-78
Peggy Nothstein	Box 917		1-5-79
Virginia Tafoya	Box 2887		1-6-79
James P. Chisholm	Box 2605	"	1-6-79
Andrea F. Sherman	Box 1126		1-7-79
[illegible]	Box 947	Mission Rd	1-8-79
[illegible]	Box 2132	Woodland Acres	1-14-79
[illegible]	Box 2132	Woodland Acres	1-14-79
Catherine DeDion	Box 1574	Woodland Acres	1-14-79
Merton T. Olsen	Box 1574	Woodland Acres	1-14-79
[illegible]	Box 2065	Woodland Acres	1-14-79
[illegible]	Box 2065	Woodland Acres	1-14-79
Kathryn Paulson	Box 2785	Woodland Acres	1-14-79
[illegible]	Box 3152	Woodland Acres	1-14-79
[illegible]	[illegible]	[illegible]	1-14-79
Debra A Love	Near Ref Naughton's		
Clarence A Love	" "	"	AK
K. Powell	Box 3166	Naughtons	1-14-79
K. Stever	Box 3166	Naughtons	1-14-7
[illegible]	" 2104	"	1-14-7
Ronald Naughton	Box 1222	Naughton's	1-14-79
Barbara Spalinger	Box 1462	Naughton's	1-14-79
[illegible]	Box 1261	Naughtons	1-14-79
Hazel Deatie	Box 13 15	Mill Bay Rd	1-14-7
[illegible]	Box 207	Mill Bay Rd	1-14-7

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

We, the people residing within the boundaries of the area about to be forcefully annexed to the city of Kodiak, hereby petition th. legislature, being the only authority with the power to gr.nt us relief from this unsought, unwanted, arbitrary removal of Alaskan residents right of choice to our own form of government, to reverse the decision of the local boundary commission:

NAME	ADDRESS		DATE
M L Rinehart	Spruce Cape	Box 143	1/16/79
Tom G. VonSchalk	Cove Tr. Ct.	Box 157	1/16/79
Debbie VonSchalk	Cove Trailer Ct. #10 Roadpark	Box 157	1/16/79
Joe Kwasnikoff	Cove Trailer Ct #18	Box 2679	1/16/79
Thomas W Allen	Box 6661 Cove Tra #1		1/16/79
Todd M. McKendrick	Cove Trailer Ct #1	Box 2722	1/16/79
Lee McAdams	Cove Trailer #1	Box 2821	1/16/79
John T. Parker	Cove Trailer Ct #5	Box 653	1/16/79
Tanya Parker	" " #5	Box 653	1/16/79
Margaret Slick	Clark's Trailer Ct #1	Box 1732	1-16-79
Jeanieve E. Karpdavis	Box 785 Baptist Mission		1-16-79
Bill Waekgat Jr.	BOX 363	Spruce Cape Rd.	1/16/79
Deborah Bobby	Spruce Cape Road	971	1/17/79
Alvin R Bunch	Spruce Cape Rd.	88.4	1/17/79
Janice O. Beechan	Island Lake	Box 1847	1/17/79
Yolande Andrew	Crest View Sub Div.	Box 1463	1/18-79
Jack Burton	Crestview Sub.	Box 1432	1/18-79
Mike Kosmann	Crestview Sub	Box 2213	1-18-79
Arlene Zimmerman	Island Lake Rd	Box 1582	1-18-79
Frank Bellows	Spruce Cape Rd	Box 1341	1-18-79
Edward C Hill	Spruce Cape Rd.	Box 2955	1-18-79
Donald W. Johnson	Spruce Cape Rd.	Box 2955	1-18-79
[illegible] Call	Spruce Cape Rd	Gen Del	1-18-79
Leb Woolford	Spruce Cape Rd	Gen Del	1-18-79
Mary L Heard	TT JACKSON	Box 5774	1-18-79
Ronald Heard	"	"	"
Bruce L. Fox	"	Box 1584	1-19-79
Andrew Fox	TT "	Box 1584	1-19-79
Edna Borton	TT Jackson Trailer Ct	Box 211	1-19-79
Albert Borton	TT Jackson trailer Ct.	Box 211	1-19-79
Lemuel C. Wilber	T.T. Jackson's	#29	1-19-79
Barbara L Wilber	TT Jackson's	#29	1-19-79

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS		DATE
Roger & Karl	#77 Jacksons,	Box 2521, Kodiak	1/21/7
Shirley A Karl	#77 Jackson	Box 2521 Kodiak	1/21/7
Bonnie K Lee	#76 JAckson	Box 1001 Kodiak	1-21-7
Patricia Dikeman	#75 Jackson	Box 2738 Kodiak	1-21
Patti Millman	#55 "	Box 282	1-21-
GORDON M JENSEN	#69 "	BOX 1461 KODIAK	1-21
Barbara H Carlberg	#62 "	Box 2402 Kodiak	1-21
Mary V. Clifton	#62 "	Box 2402, Kod	1-21-
Richard V. Thummel	#61	Box 1281	1-21-
Sandra Thummel	JKSNS #64	1281	1/21/7
Hartman & Inuit	Jackson #50	Box 68	1-21
Danny Matson	Jackson 26A	Box 77	1-21-7
Patricia Matson	Jackson 26A	Box 77	1-21-7
Paul C. Soper	#44 Jackson	Box 2661	1-21-79
Robert Sam	#45 Jackson	Box 2442	1-21-7
Vince Bertholf	#45 Jackson	Box 2442	1 21-7
[illegible]	#41 Jackson	Box 2355	1/21/7
Jay Brave	T.T. Jacksons #9	Box 3096	1/21/79
Martha Brave	T.T. Jacksons #9	Box 3096	1/21/79
Ronnie L. Holland Sr.	Spruce Cape Rd	Box 533	1/21/79
Connie J. Holland	Spruce Cape Rd	Box 533	1/21/79
John R. Morton	Mill Bay Rd	Box 44	1-23-79
Elfidio Navarro	Spruce Cape Rd	Box 1772	1/24/79
Joel Brave Revere	Spruce cape Rd	Box 3096	1/24/79
Rose Cordova	Spruce Cape Rd	Box 1693	1/24/79
Fabian Bell Sr.	Spruce Cape Rd	1772	1/24/79
D. Geraldine Mitt	Spruce Cape Rd	Box 1281	1/24/79
Becky Ratko	Spruce Cape Rd		1/24/79
Michael Fox	Spruce Cape Rd		1/24/79
Vicki McCullough	Spruce Cape Rd	General Delivery	1/24/79
Chris Garick	Spruce Cape Rd	Box 1817	1-24-79
Jim Wolhaf	Jacksons TR CRT. Apt	3076.	1-24 79

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

We, the people residing within the boundaries of the area about to be forcefully annexed to the city of Kodiak, hereby petition the legislature, being the only authority with the power to grant us relief from this unsought, unwanted, arbitrary removal of Alaskan residents right of choice to our own form of government, to reverse the decision of the local boundary commission:

NAME	ADDRESS	DATE
Virginia Ball	Spruce Cape	1/14/79
Cindy MacKenzie	Spruce Cape	1/14/79
Judy Pittman	Spruce Cape	1/14/79
[illegible]	Spruce Cape	1/14/79
Sherry Oswald	Spruce Cape	1/14/79
D L Hausman	Spruce Cape	1/14-79
RL Hausman	Spruce Cape	1/14/79
Michael McCrea	SPRUCE CAPE	1/14/79
Melinda Nutt	Spruce Cape	1/14/79
[illegible] Poulos	Spruce Cape	1/15/79
Margaret Ogden	Spruce Cape	1/15/79
James R Fowler	Spruce Cape	1/15/79
Maryann Wilson	Spruce Cape	1/15/79
Fred A. Malinoff	Spruce Cape	1/15/79
Jeff D. Judson	Spruce Cape	1/16/79
Robert L Spencer	Spruce Cape	1-16-79
Frances L Flanagan	Spruce Cape	1-16-79
Ernest R Flanagan	Spruce Cape	1-17-79
Ernie R Flanagan J.R.	SPRUCE CAPE	1 17 79
James A. Peterson	Mill Bay	1-19-79
Mary M. Peterson	Mill Bay	1-19-79
William K. Howe	Spruce Cape	1-25-79
Debra K. Wolkoff	Spruce Cape	1-25-79
William A Herman	Jackson T.H. Court BOX 2225	1-25-79
James L Means	Jackson T.H. Court General Delivery	1-25-79
Eric Peterson	Jackson Township Court General Delivery	1-25-79
James W. Jakoski	JACKSON TRADERS GEN DEL	1-25-79
Mary Louise Walton	Jackson Trader Box 16-52	1-26-79
Carol Bigamelli	Spruce Cape Box 93	1-26-79
Harriet L Eierman	#38 T.T. Jackson's Box 2691	1-26-79
Bruce C. Eierman	#38 T.T. JACKSON'S Box 2691	1-26-79
Shirley Katchikoff	#36 T.T. JACKSON'S Box 1212	1-27-79

PETITION TO THE
LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS	DATE
Evan C Kutchak	Spruce Cape Road	1/11/79
Saturnino Castro	Spruce Cape Road.	1/14/79
John T. Kegan Jr	" "	1/14/79
Joann M. Bennett	Spruce Cape Road	1/14/79
VITO SALES	SPRUCE CAPE ROAD	1-14-79
Donna M. West	Spruce Cape	1/14/79
HAROLD M. [illegible]	SPRUCE CAPE ROAD	1/14/79
W C Equan	SPRUCE CAPE ROAD	1-14-79
Sandra Hennigh	" "	1/14/79
Joan E Mathias	Spruce Cape Rd.	1-14-79
Royal Pelofsky	Spruce Cape Rd	1-14-79
Mary Ann Pelofsky	Spruce Cape Rd	1-14-79
Christine Encelewski	" " "	1-14-79
Cheryl Bunting	Spruce Cape Rd.	1/14/79
Jennifer K Allen	Spruce Cape Road	1/14/79
Richard Brown	Spruce Cape Rd	1-14-79
[illegible] West	" " "	1-14-79
Dennis Wood	Spruce Cape Rd.	1-14-79
[illegible]	Spruce Cape Rd.	1-14-79
Carol D McGinn	Spruce Cape Rd	1-14-79
[illegible]	Spruce Cape Rd	1-14-79
Tony Billet	Spruce Cape Rd	1-14-79
Alan [illegible]	Spruce Cape Rd	1-14-79
Christine Kinney	Spruce Cape Rd	1-14-79
[illegible]	Spruce Cape Rd	1-14-79
James R Morton	Jackson's No 59 Box 44	1-27-79
DAVID J TESCHNER	JACKSON'S NO. 48 BOX 173	1/27/79
Alan Stone	Jackson Spruce #61 Box 910	1-27-79
Cheryl Bunting	Jackson Spruce 33 Box 1741	1-27/79
John Bertsen	Jackson Spruce 33 Box 1741	1-27/79
[illegible]	Spruce Cape Rd	1-27-79
Emery A Hilfiker	Shapalka Acres PO Box 2773 Kodiak	1-30-79

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS		DATE
Sharon Darby	Jackson Jct. CT	Box 5572	11-1
Everett Drachen	Spruce Cape Rd	Box 542	Kodiak 1/14
Michelle Humphrys	Spruce Cape Rd	Box 542	1/14/79
Tommy J. Gonzales	Spruce Cape RD	Box 3207	1/14/79
Ena Houser	Spruce Cape Rd	"	1-14-79
Ronald J Davis	Spruce Cape Rd	Box 211	1-14-79
Ed Brown	Spruce Cape Rd	Box 148	K. 1-14-79
Nick Gregory	Spruce Cape RD	Box 1481	1-14-79
Judith M. McFadden	Spruce Cape RD.	Box 2022	1-14-79
Dennis McFadden	Spruce Cape Rd	Box 2022	1-14-79
Arthur Pedersen Jr	Jackson Jct Trailer Ct	Box 2513	1-14-79
Mike Anderson II	Jackson Trailer court	Box 2513	11-14-79
Sandra Stepanoff	II Jackson Trailer court	Box 2513	11/14/79
Donna M. Pedersen	Jackson Trailer Court	Box 2513	11/14/79
Barry S. DeVol	Spruce Cape Rd	Box 1042	11/14/79
W.C. DeVol	Spruce Cape Rd	"	"
Mrs. Ina Smith	Kodiak	Box 2961	79 Jackson 1-14
John E. Michels II	Jackson 25C-2	Gen. Del.	1-14-7
Felicia V. Selby	Jackson 25C-2	Box 42	1-14-7
Barry DeVol	Jackson 31	Box 355	1-14-79
Chris Jenson	Jackson 31	Box 355	1-14-79
Thomas H Anderson	Cutoff Rd.	Box 2067	1-14-79
Mary J. Anderson	Cut off Rd.	Box 2067	1-14-79
~~James A Draughn~~	Mill Bay	Box 701	1-14-79
Dana C. Lamm	Naughton Trailer Court	Box 1222	1-14-79
Julie E. Innes	Naughton's Whites Ct	Box 1222	1-14-79
Julia Naughton	" " "	Box 1222	1-14-79
George Naughton	" " "	Box 1222	1-14-79
David C. Clutman	NAUGHTON TRL COURT	BX1361	1/14/79
Randall Bourque	Jackson TLR Court	BX557	1/14/79
Earl Lewis	Jackson TLR Court	Gen. Del	11/14/79
Charlotte Miller	Jacksons TLR Court	BX1283	1/14/79
Jr Ellen Mader	Jackson TLR Court	Gen Del.	1/14

PETITION TO THE
LEGISLATURE OF THE STATE OF ALASKA

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We, the people residing within the boundaries of the area about to be forcefully annexed to the city of Kodiak, hereby petition the legislature, being the only authority with the power to grant us relief from this unsought, unwanted, arbitrary removal of Alaskan residents right of choice to our own form of government, to reverse the decision of the local boundary commission:

NAME	ADDRESS		DATE
W Ray Chandler	Spruce Cape Rd.	Bx 1635	1-11
Brett Randolph	Spruce Cape Road	Box 414	1/13/
Elizabeth L Brown	Spruce Cape Rd.	Box 713	1/13/
Corinne Ferré	Monashka Bay	Box 1607	1/13/
Dora Coveston	Spruce Cape	Box Gen Del	1/13/
Jim Cairns	Spruce Cape Rd.	Box 2603	1/13/
Pat Cairns	Spruce Cape rd.	Box 1693	1/13/7
Lee Budde	Spruce Cape rd.	Gen. Del	1/13/
Sylvia Davis	Spruce Cape Rd.	Box 2223	1/13/
Helga Jaasen	Spruce Cape Rd.	Box 1451	1-13-79
Carol Hagel	Spruce Cape Rd	Box 1703	1-13-
Iris Keogh	Spruce Cape Rd	Box 1672	1-13
Lawrence Minka	Spruce Cape Rd	Box 2451	1-13-
Irene Keogh	Spruce Cape Rd	Box 1672	1-13-7
Gladys Minka	Spruce Cape Rd	Box 2451	1-13-
Dan Chmelik	Spruce Cape Rd	Box 906	1-13-7
Gail Nigro	Mill Bay Rd	Box 1212	1-13-7
Britta Fischinger	Spruce Cape Road	Box 143	1-13-7
Susan Thompson	Isaacs Lake	Box 2828	1-13-
Robert K. Cobban	Spruce Cape ROAD	BOX 1413	1-14-7
Sherry Cobban	Spruce Cape Rd.	Box 1413	1-14-
John Eckstein	Spruce Cape Rd.	Box 2174	1-14-
Ofelia Jurado	Spruce Cape Rd.	Box 3142	1-14-
Randell D. Watt	Spruce Cape Rd.	Box 1011	1-14-
Connie J Watt	Spruce Cape Rd	Box 1011	1-14
E. Erickson	Spruce Cape Rd.	Box 1631	1-14-
Nancy Erickson	Spruce Cape Rd	Box 1631	1-14-
Robert Hale	Spruce Cape Rd	Box 1631	1-14-7
George Hansen	Box 1141 Brookside		1-14-79
Edna Kasmoff	Spruce Cape Rd	Box 1878	1-14-79
Jean Burch	" " "	"	"
John D. Hilbert	Spruce Cape Rd	Box 2608	1-14-79

PETITION TO THE
LEGISLATURE OF THE STATE OF ALASKA

Box 9

We, the people residing within the boundaries of the area about to be forcefully annexed to the city of Kodiak, hereby petition the legislature, being the only authority with the power to grant us relief from this unsought, unwanted, arbitrary removal of Alaskan residents right of choice to our own form of government, to reverse the decision of the local boundary commission:

NAME	ADDRESS		DATE
Karen K. Martin	1319 Birch St Kodiak Alaska	99615	1-15-79
Thomas G. Scrapler	7 Mill Bay Rd	Box 465	1/15/79
Sally Ahlberg	Mill Bay Rd.	Box 911	1/15/79
Edith Gilbert	Spruce Cape Rd	Box 2608	1-15-79
Alice Cutter	Seguam	Box 775	1-15-79
Ann Cichocki	Mission Road	Box 802	1-15-79
Ed Rogers	T.T. Jacks Trailer Court	Box 342	1-15-79
Ted Christensen	Mission Rd.	Box 457	1-15-79
Cheryl A Christensen	221 So. Benson	Box 457	1-15-79
Dorothy A Christensen	Mission Road	Box 457	1-15-79
Mark B Klepsig	#2 Jackson Land	Box 613	1-15-79
A Townsend	Mill Bay RD	Box 253	1-16-79
Peter Smith	Mill Bay RD.	Box 1210	1-15-79
Guy E Rodstad	Spruce Cape RD	Box. 1743	1-16-79
Lisa E Parker	Spruce Cape Road	Box 1424	1-16-79
Neil Holden	TT Jackson's Trailer Ct	Box 2225	1-16-79
Lee Trimble	1829 Mission Rd	Box 203	1-16-79
Joyce Strode	1831 Mission Rd	Box 1201	1-16-79
Cliff Scroggs	1531 Mission Rd	Box 201	1-16-79
Mary Kreiger	Mission Rd	Box 802	1-16-79
Mark Kreiger	Mission Rd.	Box 802	1-16-79
Jerry Gaul	Spruce Cape Rd.	Box 1233	1-16-79
Norma M. Parker	Spruce Cape Rd	Box 256	1-16-79
James Rudesan	Spruce Cape Rd	Box 1004	1-16-79
Barbara A Buck	Spruce Cape Rd.	Box 884	1/16/79
Timothy Swift	" " "	" 884	1/16/79
R Kris Stamon	" " "	Box 1314	1/16/79
Mary Barton	Spruce Cape Rd	Box 16	1/16/79
Robert F Childs	Mission Road	Box 785	1/16/79
Margaret C. Childs	Mission Road	Box 785	1/16/79
Wayne Sargent	Mission Road	Box 121	1/16/79
Tess Kendall	Island Life	Box 3116	1/16/79

PETITION TO THE
LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS		DATE
Dimitri Gerasimof	Box 807	Mill Bay	14 Jan 79
[illegible]	Box 754	Lokavian Drive	14 Jan 79
Mary Carr	Box 2872	Mill Bay Rd	14 Jan 79
Bill Carr	"	"	"
John Baker	Box 2075	Island Lake	14 Jan. 79
Melissa A Baker	Box 2075	Island Lake	Jan 14 79
Bridget Oshelkhoff	Box 2393	Island Lake	Jan 14 79
Nora J Lynch	Box 2074	Island Lake	Jan 14 79
Louis M Schneider	Box 2703	Island Lake	Jan 14 79
Patricia C Schneider	Box 2703	Island Lake	Jan 14 79
Evelyn Francisco	Box 2679	Island Lake	Jan 14, 79
Phyllis Francisco	Box 2679	Island Lake	Jan 14 79
Emil O. Lesko	Box 2679	Island Lake	Jan 14 79
Ellen M Ross	Box 1661	Island Lake	Jan 14 79
Ina G Robbins	Box 2284	Island Lake	Jan 14 79
Don C Blessing	Box 2391	Isl. Lake	Jan 14 79
Ethel J Blessing	Box 2391	Isl. Lake	Jan 14, 79
Charles D Jones	Box 3143	Isl Lake	Jan 14 79
Joanne M Jones	Box 3143	Island Lake	Jan. 14, 79
[illegible] Dawson	Box 2785	Woodland Hills Kodiak	Jan 14, 79
[illegible]	Box 1603	Mission	1 16 79
[illegible] McKinney	Box 2037	Lakeview Dr	1-16-79
Daniel E Miller	Box 2037	Lakeview Dr	1-16-79
Shirley L O'Hearn	Box 2994	Nevada Way Road	1-16-79
[illegible]	Box 1603	Isle Pet.	1-16-79
[illegible]	[illegible]	[illegible]	[illegible]
Vincent W Root	Box 541	Mill Bay	1-16-79
Mary E Root	Box 541	Mill Bay	1-16-79
[illegible] Jones	Box 3011	Island Lake	1-16-79
Esther Jones	Box 3011	Island Lake	1-16-79
[illegible]	Box 2485	Island Lake	1-16-79
[illegible]	Box 2785	Island Lake	1-16-79

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS		DATE
[illegible]	Box 465 Kodiak	2½ mile Mill Bay Rd	1/16/79
Mike K. Silvey	Box 473 Kodiak	Island Lake	1/17/79
[illegible]	Box 2932 Kodiak	Jackson Tk Court	1/17/79
Jerry Nagle	Box 646 Kodiak	Creations	1/18/79
Barb Nagle	Box 646 Kodiak	Creations	1/18/79
Gary Kibbe	Box 347 Kodiak	Creations	1/18/79
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Box 2021 Kodiak	[illegible]	[illegible]
[illegible]	Box 1535 Kodiak	Near [illegible]	1/18/79
[illegible]	Box 817 Kodiak	Near Bay	1/18/79
Beverlin Cessna	Box 694	KODIAK	MILLERS POINT-20-79
Dorothy Cessna	Box 694	Kodiak	Millers Point 1-20-79
Lloyd Anderson	Box 1437	Kodiak	Island Lk 1-21-79
Nancy Anderson	Box 1457	Kodiak	Island Lk 1-21-79
Alex Ostroff	BOX 7373	KODIAK	INLAND LAKE 1-21-79
William W. Ross	Box 1661	Island	LAKE 1-21-79
Richard Hebbert	BOX 2284	ISLAND	LAKE 1-21-79
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Tom Kaminsky	Box 2196	Island Lake	1-21-79
[illegible]	"	"	1-21-79
Macdeen Campbell	Box 517	Island	LK. 1/21/79
Robert Allen	Box 1331	Island	LK. 1/21/79
Marvin Shinn	Box 1232	Mill	Bay 1-21-79
Lorraine Westby	P.O. Box 1573		1-22-79
Lee Matsuoka	P.O. Box 2078	Island	LK 1-22-79
William Lewis	P.O. Box 773	Island	Lake 1-21-79
Matthew Peterson	P.O. Box 2727	Near	Bay 1-22-79
Dustin Fish	P.O. Box 2101	Near	Bay 1-22-79
Kurt Kyes	Box 368	Island	Lake " "
Henry J. Ingram	Box 115	Near	Bay 1-22-79
[illegible]	Box 2494	Near	Bay 1-22-79

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS	DATE
Dick Jackson	Spruce Cape Rd.	12/19/78
Frances L. McNeely	Spruce Cape Rd	12/31/78
Jim Anderson	Spruce Cape Rd	12/31/78
Russell Graham	Spruce Cape Rd	1-4-79
Chrystyna L Klein	Woodland Acres	1-4-79
Lorna Jo Arndt	Island Lake	1-4-79
Penny A. Lukens	Mission Rd	1-4-79
Neil A. Balint	Spruce Cape Rd	1-4-79
Dorothy E. Powlen	Spruce Cape Rd.	1-4-79
Pamela Hunter	Island Lake Rd	1-4-79
Duane Freeman	Island Lake	1-4-79
Jim Richardson	Cliffside Loop Rd.	1-4-79
Andrew W. Jensen	Island Lake	1-4-79
Peter Pahl	Island Lake Rd.	1-4-79
John Mozich	MILL BAY RD.	1-5-79
Cathy Stivers	Island Lake	1/5/79
Nick Groom	Spruce Cape RD	1-12-79
Linda Mabry	Cliffside Loop	1-12-79
Clara Helms	Willis Point	1-12-79
Judy E. Finch	Spruce Cape Rd	1-12-79
Barbara A. Norris	Spruce Cape Island Lake	1-13-79
Christy Kinter	Woodland Acres	1-14-79
Dodi Murphy	Spruce Cape Road	1-14-79
Gwen Pick	Spruce Cape Road	1-14-79
Natalie Jack	Spruce Cape Road	1-14-79
Michael Nemeroff	Spruce Cape Road	1-14-79
Christine Kinter	Spruce Cape Rd	1-14-79
Vicky Dzubinski	Spruce Cape Rd	1-14-79
Teri Firemark	Spruce Cape Road	1-14-79
Maureen Pletz	"	1-14-79
Tony Perez	"	1-14-79
Ronald Pletz	Spruce Cape Road	1-14-79

Borough
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PETITION TO THE
LEGISLATURE OF THE STATE OF ALASKA

We, the people residing within the boundaries of the area about to be forcefully annexed to the city of Kodiak, hereby petition the legislature, being the only authority with the power to grant us relief from this unsought, unwanted, arbitrary removal of Alaskan residents right of choice to our own form of government, to reverse the decision of the local boundary commission:

NAME	ADDRESS	DATE
Charles T Warren	Box 166 Spruce Cape Kodiak	12/28/78
(Martha) J. Landolfe	Box 414 - Spruce Cape Rd. - Kodiak	12/28/78
Betty L. Lorenzin	Box 1336 Spruce Cape Rd. Kodiak	12/28/78
Kari M. Warren	Box 166 Spruce Cape Kodiak	12/28/78
Christy Kinter	Box 1051 Woodland Acres Kodiak	12/28/78
Beverly Horn	Spruce Cape Rd Kodiak	12/28/78
Sharon R. Grantier	Box 1262 - Mill Bay Kodiak	1/4/79
Lucan E. Horn	Box 15 spruce cape rd Kodiak	1/4/79
James R Horn	Box 5 SPRUCE CAPE RD Kodiak	1/8/79
Peter B. Jones	Box 2683 Kodiak: Mill Bay N. Subdiv. Block 1	1/8/79
Pam Drago	Spruce Cape Rd. Box 1605 Kodiak	1/8/79
Dan Murphy	Spruce Cape Rd. Box 473 Kodiak	1/8/79
Frances Morris	Spruce Cape Rd. Box 612	1/9/79
Michael E Mellon	SPRUCE CAPE RD BOX 514.	1/9/79
Dennis C Williamson	Spruce Cape Rd Box 1517	1-9-79
George D Hoff	Spruce Cape Rd Box 627	1-10-79
Mutsa M Neil	Box 974 No ISLAND LAKE	1-10-79
Mike Babcock	Spruce Cape Road Box 1481	1-10-79
James A Galuszka	Naughtons Trlr Ct. Box 1462	1-10-79
Teresita Mellon	Cove Trailer Ct. Box 2372	1-10-79
Daniel Swaiboy	Cove Trlr Ct Box 346	1-10-79
Debra L Sundberg	" " "	1-10-79
Debbie Kusanibff	Cove Trlr Ct. Box 2247	1-10-79
Catherine Cole	Cove Trlr Ct Box 3033	1-10-79
Claudia A Capin	Cove Trlr Ct. Box 2424	1-10-79
Christie M. Bird	Box 1223 (Mission Rd.)	1-10-79
Minnie F. Cooke	Spruce Cape Road Box 2647	1-10-79
John Dull	(McDonald Building) Mission Rd	1-10-79
June C McGill	Hardings Trlr Ct #7 Box 2665	1-10-79
John M Hunter	Harding's Trl Ct #6 Box 1754	1-10-79
Kenneth R Mills	Harding's Trlr Ct #6 Box 1754	1-10-79
Charles Ridgeway	JACKSON TRAILER CT, Box 2672	1-10-79

PETITION TO THE LEGISLATURE OF THE STATE OF ALASKA

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NAME	ADDRESS	DATE
Jacque Nelson	~~P.O Box 2780~~ - Jackson's Trailer Ct.	1/10/79
Lindsay Kelso	Box 2192 - Jackson's Trailer Ct	1/10/79
Cyndi Keeler	Box 1101 Spruce Cape Rd	1/10/79
Debra Bucher	Box 1831 "	1/10/79
Dan Comeau	Spruce Cape Rd Box 1834	1-10-79
Georgia Mathews	Spruce Cape Rd Box 1925	1-10-79
Klaus Holzer	Spruce Cape Rd Box 3507	1-10-79
Warren Moody	Spruce Cape R.D. Box 2704	1-10 79
Hayden Davis	Spruce Cape RD Box 2223	1-10-79
Leonard Bolton	Jackson Trl Court Box 2215	1-10-79
Alda Bolton	" " " Box 2215	1-10-79
Christine Kuskulloff	Jackson Trl Court Box 137	1-10-79
Lowell Swett	Cove Trailer Ct. Box 653	1/10/79
Deborah A. Wiver	Cutoff Rd Box 1603	1-11-79
M Emmons	Mission Road - Box 2272	1-10-79
Mike Steelman	Rezanoff Ext. P.O Box 2603	1-11-79
Lorna Steelman	Rezanof Ext. Box 2603	1-11-79
Lorraine Steelman	Rezanof Ext. Box 2603	1-11-79
Mark A. Chase	Rezanoff Ext. Box 2220	1-11-79
Edgar L Davis	Spruce Cape Rd. Box 2883	1-11-79
Gene M Wood	Spruce Ct. Box 2063	1/11/79
John K. Bailey	Spruce Ct. #11 Box 3043	1-11-79
Saundra J Bailey	Spruce Ct #11 Box 3043	1-11-79
Frank J Abeal	" " #9 Box 2287	1/11/79
Kenneth Lamb	" " " Box 1006	1/11/79
Mirella Coons	Spruce Cape Rd. Box 971	1/11-79
Dennis Jackson	Spruce Cape RD P.O. Box # 586	1/11/79
Wally Al	" " " "	"
La Verna K. Jackson	Spruce Cape RD Box # 586	1/11/79
Sophy Erdman	Spruce Cape Rd. Box 394	1/12/79
Caroline Moon	Mission Rd Box 226	1-12-79
Mrs Joan Lokee	Mission Rd Box 1794	1-12-79
Karen Chaput	Island Lake Box 2338	1-12-79
George Lee	Mission Road Box 2117	1-12-79
L Jon Coons	Spruce Cape Box 971	1-11-79
Toni Boyce	Spruce Cape Box 971	1-12-79

PETITION TO THE
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NAME	ADDRESS	DATE
John A Parker	Island Lake Box 191	12/27/78
Geo. W Davis	Island Lake Box 612	12/27/78
Joel Hayes	Miller Point - Box 1414	12/27/78
Dave Berry	Woodland Acres Lot 6 BK 1 - Box 2729	12/27/78
T. J. Whited	Mill Bay Rd. Box 416	12/27/78
Betty Pearson	Spruce Cape Rd Box 2618	12/27/78
Glenn Black	Spruce Cape Rd Box 913	12/27/78
Lorene Lollar	Spruce Cape Rd. P.O. Box 337	12/27/78
Joe Patrick O'Brien	Cliffside Rd. Box 2842	12/27/78
Lee Anderson	Island Lake Box 1463	12/27/78
Debbie Ann Schiele	Cove Trailer Ct. # 10 Box 157	12/27/78
Marella Davis	Island Lake Box 346 Spruce	12/27/78
Ramona Stella	Spruce Cape Rd Mission P.O. Box 1335	12/27/78
Lee A. Bagby	Jackson Trailer Ct Box 412	12/28/78
Beryl N Pearson	Spruce Coast PO Box 2864	12-27-78
Kathleen Hunter	Island Lake PO Box 1701	12-28-78
James R. Hansen	Spruce Court P.O. Box 2864	12-28-78
Norma L. Crawford	Pacific Trailer Ct. Box 761	12-28-78
Lucie F. St Clair	#18 Jackson Trailer Court Box 1788	12/28/78
Jalen Babcock	Spruce Cape Road Box 1481	12/28/78
Paul Ruesch	Spruce Cape Rd. Box 1753	12/28/78
Pam Hollander	Shafer Ave. Box 126	12/28/78
Nick Soto	Island Lake, Box 1633	12/28/78
Gladys Beverly	Spruce Cape PO Box 216	12/28/78
Felix E Espenoza	Pacific Trailer Court Box 1931	12/28/78
Bill Nachtweih	Mill Bay Box 1652 Box 1047	12/29/78
E & E Ennis	" " " Box 1247	12/29/78
Rob Babcock	Spruce Cape Rd. Box 1481	12/29/78
Helen McPhee	Crest View (Island Lake) Box 191	12-29-78
Jennie Riley	Spruce Cape Rd. Box 1114	12-31-78
Patricia Arellano	Spruce Cape Rd. Box 1673	12-31-78
Mary Mack	Spruce Cape Rd. Box 2108	12-31-78

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PETITION TO THE
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NAME	ADDRESS	DATE
E. W. Barr (Erik W. Barr)	Spruce Cape Rd Box 3026	12-25-78
Lana Barr (Lana Barr)	Spruce Cape Rd Box 3026	12-25-78
Jill Skaw (Jill Skaw)	Spruce Cape Rd. Box 842	12-26-78
Joyce A. Campbell (Joyce A. Campbell)	Isle [illegible] Box 511	12-31-78
Richard Tinney	SPRUCE CAPE RD 1593	1/7/79
Colleen Hanni	SPRUCE CAPE RD. 1593	1/7/79
Dale Wilde	SPRUCE CAPE Rd. 1593	1/7/79
Dorothy McKilly	Spruce Cape Rd 2731	1/7/79
Myrtle Palmer	Spruce Cape Rd. P.O.Box 2938	1-7-79
Gloria J. Johnsons	Spruce Cape Rd P.O. Box 2914	1-7-79
Robert E. Peterson	Spruce Cape Rd. Box 237	1-7-79
Carl A. Dorn	Spruce Cape Rd. Box 1456	1-7-79
Jenny E Thomson	Spruce Cape Rd Box 2251	1-7-79
Virgil N. Crosby	Spruce Cape Rd Box 2356	1-7-79
Marta Crosby	Spruce Cape Rd Box 2356	1-7-79
Edward Lee	Spruce Cape Rd Box 1494	1-7-79
Dodi Murphy	Spruce Cape Rd Box 367	1-7-79
Julie Hansen	Spruce Cape Rd Box 421	1-7-79
Lori Dooley	Spruce Cape Rd Box 1233	1-7-79
W J McKeldon	Cut off " " 336	1-7-79
James D Hubbard	cutoff rd Box 1637	1-7-79
Emma M Mellon	cutoff Rd. Box 461	1-7-79
Jesse Solomons	cut off Rd Box 2673	1-7-79
Danny K Knauer	cut off Rd Box 2072	1-7-79
Mike Rastad	Spruce Cape Road Box 49	1-7-79
Louise M. Hall (Louise M. Hall)	Spruce Cape Road Box 1122, Kodiak	1-7-79
Mrs Verne M Wood	Spruce Cape Road Box 2063,	1-7-79
Brooks Pangburn	Spruce Cape Rd. Box 3005	1-7-79
Mrs Noma Pangburn	Spruce Cape Rd Box 3005	1-7-79
Nick McLean Jr.	Spruce Cape Rd. Box 583	1-7-79
Mrs Petrina A Peterson	Spruce Cape Rd PO Box 2633	01-08-79
Diana Peterson	" " " " " "	01-08-79

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Borough

PETITION TO THE
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NAME	ADDRESS		DATE
Marlene A Kniver	Spruce Cape Rd	P.O.B 2878	12-25-78
Donald P. Kniver	Spruce Cape Rd	2878	12-25-78
Don L Mack	Spruce Cape Rd	Box 2108	12-31-78
Don Mack Jr	Spruce Cape RD.	P.O 2108	12/31/78
Jim S Nemeth	SPRUCE CAPE RD	BOX 1501	12-31-78
Bob Erickson JR	Hunting Trailer Pk.	Box 67	12-31-78
M. Hollman	Miller Point.	P.O.B 1907	1-2-79
Marsha Hollman	Miller Point	P.O.B 1907	1-2-79
Elyse M Bickford	Spruce Cape Rd	P.O Box 1608	1-2-79
Marcia Franklin	Mill Bay Rd	Box 1391	1-2-79
Gary Nelson	Cliffside Rd	Box 2228	1/2/79
Janet Wente	Jackson's Trailer Ct	Box 2791	1/3/79
Marolyn Peterson	Island Lake	Box 1712	1/3/79
Nancy J Moore	Mission Road	Box 1071	1/3/79
Patricia C Hall	ISLAND LAKE	Box 1633	1-3-79
Linda Rockstad	Spruce Cape Rd	Box 1743	1-3-79
Rodney E. Snyder	Jackson's Trailer Ct.	Box 1805	1-4-79
Janet K. Snyder	" " "	" "	1-4-79
Laurel A Peterson	Spruce Cape Rd	Box 2066	1-4-79
Ed Knych	Island Lake	2474	1-4-79
Lon Zink	Spruce Cape RD.	P.O. 1817	1-4-79
Donald W Watts	Spruce Cape Rd.	Box 2501	1-4-79
Jim McDonald	NEVA WAY	Box 3115	1-4-79
Benjamin Olsen	Cove Trailer Ct #15	Box 2761	1-4-79
BOB MAIN	WOODLAND ACRES	Box 175	1-4-79
R E Dodel Rd	Spruce Cape Mile 31, Chiniak	Box 355	1/5/79
James Achayok	Baptist Mission	Box 785	1-5-79
Dwight L Jones	Dark Lake	Box 2620	1-5-79
Vernadean DeVal	Jasper's Tr. Ct. Spruce	Box 355	1-5-79
Dora E. Johnson	Spruce Cp. Rd.	Box 3944	1-7-79
Fox Mitchell	Spruce Cape Rd	Box 2404	1-7-79
Rob Lindsey	Spruce Cape Road	Box 951	1-7-79

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PETITION TO THE LEGISLATURE
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NAME	ADDRESS		DATE
Horace Simmons	222 Birch	Box 2464	12/27/78
Ramon Vargas	Gen Del 325 Rezanof	Kodiak	12/27/78
[illegible]	HARBOR VIEW #16	BOX 2700	12-27-78
Laurence Hall	228 Benson	Box 1631	12/27/78
Mary Clark	717 No. Blvd.	Box 372	12/27/78
Ernest Ballfe	Aldermere Estates,	Box 1861	12/27/78
Nellie Gregorio	Cape St. 305	Box 2848	12/27/78
Lisa Simmons	Alder Lane 225	Box 134	12/27/78
Phyllis Shell	107 Natalia Lane	Box 681	12-27-78
Helen Hattman	421½ Sargent Rd.	Box 387	12-27-78
Suzanne Lorenzen	108B Mecklos Wpt	Box 1877	12-27-78
Freda & Ruth Atkins	Harding-Trailer ct. #4	Box 263	12-27-78
Debra Hull	102 NATALIA	Box 906	12-27-78
Robert E Blair	816 North Blvd	Box 2337	12-27-78
Ben Gratcelos	1016 North Blvd	Box 594	12-27-78
Lee Lee	Box 276 314 Benson		12-27-78
Billy L. Baker	111 Hemlock	Box 1111	12-27-78
Phillip C. Anderson	323 Maple	Box 781	12-27-78
Kathryn O. Anderson	323 Maple	Box 781	12-27-78
Teresa L. Anderson	710 N. Blvd	Box 2014	12-27-78
Brocklyn Wagdahl	1312 MADSEN AVE	Box 2573	12-28-78
Jane M. Norton	1118 Malutin Lane	Box 327	12-28-78
Jerome M. Selby	1111 Millbay	Box 1962	12-28-78
Carmel Schumacher	1117 Pinto	Box 142	12-28-78
Ann Crowell	1111 Larch St	Box 3061	12-28-78
Jennifer Hostes	Larch St	Box 156	12-28-78
Lynn Bosckert	301 Cape Rd	Box 531	12/28/78
Joan Peterson	1415 Barance	Box 842	12/28/78
Lawrence M Malley	315 Upper Mill Bay Rd	Box 2034	12/28/78
Phillip M. Bagley	Larch St.	Box 1534	12/28/78
Richard Peterson	417 Erskine	Box 2055	12/28/78
William Arnold	302 Rose	Box 571	12/28/78

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NAME	ADDRESS		DATE
Barbara Zimmerman	1320 Rezanof	Box 1157	1/16/79
Julie A Daly Jones	Third St.	Box 2095	"
Agnes T Kaney	Senior Cit. Bldg	Box 851	1-16-79
Larry Selden	1320 Rezanof	Box 1157	1-16-79
Arthur C Nelson	617 MADSEN AVE	Box 382	1/16/79
Steven L Stuckert	301 Cope	Box 531	1/16/79
Earl Armstrong	302 No. Boulevard	Box 631	1/16/79
Jacqueline M Power	317 Mill Bay Rd	Box 837	1/16/79
Dick E Mann	412 Mill Bay Rd.	Box 245	1/17/79
Irene Leite	1811 Mission Rd	Box 1674	1/17/79
Judith K Tatom	712 Hemlock	Box 2036	1/17/79
Pete of Olga	marine way 305	Box 485	1/17/79
Jess Eggemeyer	617 mission RD	Box 965	1/18/79
Jess Eggemeyer Jr	617 Mission RD	Box 965	1/18/79
Gertrude L Swift	11 Jordan #50	Box 68	1-21-79
John R. Hancock	1512 Delaroy	Box 491	1-26-79
Betty Langstaff	11 Yukon St	Box 922	1/26/79
Bob Manning	1423 Somerset	Box 105	1/26/79
Jim Dahl	1320 Rezanof	Box 1552	1/26/79
Ronald A Tamlin	1120 Rezanof #1	Box 332	1/26/79
Christina Carlson	1120 Rezanof	Box 2207	1/26/79
Mike Lyon	Box 2912 Abbe Lane		1/26/79
Jan DeLong	Box 1157 Kodiak		1/26/79
Connie Stuth	Box 513 - N. Boulevard		1/27/79
Gerald M Kubick	211 CIRCLE DR.	Box 1698	1/27/79
Arlene Bowie	410 South Benson	Box 52	1/28/79
John Kirby	Spruce Manor Apt #7	Box 323	1-29-79
Mary F Eaton	216 Disp L.	Box 423	2/2/79
Phyllis M Sundberg	403 Lighthouse	Box 346	2-2-79
Marie Unger	817 Hemlock	Box 433	2-2-79
Janet Ulich	1411 Rotroff	Box 3104	2-2-79
Spencer L Shaw	Spruce Manor #29	Box 1441	2-2-79

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NAME	ADDRESS		DATE
Alfred Zaft	1219 A Mission	PO Box 241	PO Box 1/13/79
Bärbel Sutherland	414 North Kodiak.	Po Box 378	1/13/79
L Zaccone	711 Terrace Apt.	Kodiak	1/13/79
Joe Hobbs Jr.	1612 1st Street	PO 3024	1/13/79
ERNESTO VILLAVICENCIO	WORLD'S ART	PO. 2718	1/13/79
John R. Cline	1223 Parton St	PO Box 2954	1/13/79
Bethany A. Cline	1223 Pinto St.	P.O. Box 2954	1/13/79
Joan K. Hiscock	1423 Simeonof	P.O Box 1050	1/13/79
Doyle Lewis	1217 Mission	Box 1065	1/13/79
Lisa Moseley	1110 M. Blvd	Box 2572	1/13/79
Lon Brooks	Burfand	Box 193	1/13/79
Yolanda Brooks	Burfanbeck.	Box 193	1/13/79
Harold L. Jones	1211 Mission	Box 1065	1-15-79
Joe Lee	Rezanoff	Box 2591	1-14-79
Deborah Nelson	Elder Lane	Box 484	1-15-79
Bailey	516 North Blvd	G.D.	1/15/79
Ed Bailey	7132 Hart	DD Box 1274	1/15/79
Arlene C. Singer	211 Otay Rd	Box 465	1/15/79
Karen Martin	1319 Larch St.	Box 1005	1-15-79
Rick Olson	1017 PINECREST	Box 1872	1-15-79
Charlene Chase	Mill Bay Rd.	Box 1883	1-15-79
Bertha Nelson	Mill Bay Rd	Box 525	1-15-79
James A. Hanlon	Mission Circle	Box 1926	1-15-79
Jane A. Markoski	815 Rezanof	Box 1343	1-15-79
Cheryl A. Christensen	221	So Benson	Box 452 1-15-79
Debra C. Marshall	214 Circle Drive	PO Box 571	1-15-79
Nick C. Churchill	1226 Father Herman	P.O. Box 571	1-15-79
Carlissa Churchill	1226 Father Herman	P.O. Box 571	1-15-79
Kelsey Q. Jones	Springhill Apts	PO Box 887	1-15-79
Linda Maxwell	710 Mill Bay	P.O. Box 2402 Kodiak	1-15-79
Ronald G Kaplan	914 Rezanof	Box 602 Kodiak	1-15-79
A Townsend	Mill Bay Rd.	Box 2135	1-15-79

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NAME	ADDRESS		DATE
YESHI BENYAMIN	springhill apts a Bot 54		1-2-79
Robert Nault	P.O. Box 2463 (112 Yukon dr.)		1-2-79
William L Blair	32 Kashevaro Valley	Box 129	1-3-79
John Halbrand	Mission Road	BOX 843	1-3-79
Gene Cubbage	Willow 410	Box 2286	1-3-79
Maureen Butler	1312 Mission Rd	Box 2610	1-3-79
Bob Dr Shannon	Leach St	Box 2095	1/3/79
Cliff Rohrbacher	1217 Rezanof	Box 886	1/3/79
John Malutin	315 ALDER LANE	Box 2083	1/3/79
Debra Evans	1515 Baranof	Box 2681	1/3/79
Mavis R. Frost	1022 Rezanoff	Box 791	1/3/79
Alma Nelson	Mission Rd	Box 707	1/3/79
Cecilia Blankenburg	419 Benson	Box 707	1/3/79
Jill Spaulding	Harborview #6	Box 2700	1/3/79
Eric Blankenburg	1713 MISSION	Box 707	1-3-79
Dorothy Hegna	1015 North Blvd		1/3/79
Ruth Brockley	1418 Kashevaro	Box 993	1/4/79
Mary McFarland	1818 Semienoff	Box 2774	1/4/79
Wally Walen	1716 Semienoff	Box 16	1/4/79
Joanne Cobban	1012 Hemlock	Box 2823	1/4/79
John B Easton	1717 Mayben	Box 2336	1/4/79
Janis Hayne	1212 Rezanof	Box 1065	1/4/79
Wendy Bundy	932 Pine Crescent	Box 418	1/4/79
T.C. Barnes	721 Willow	Box 2121	1-4-79
Gerald "Big G" Anderson	416 Lemon	Box 1012	1-4-79
Lydia Mattson	1219 Paxton	Box 2532	1-4-79
Guy M Denton	1216 BARANOF	Box 1531	1-4-79
Edward W Kelsch	711 CIRCLE DR	Box 1698	1-5-79
Wayne E Jones	Box 6021 116 Alaska Lane		1-5-79
Claire Gilliland	Box 3133	Kodiak, Ak.	1-5-79
Henry Nesbett	416	P.O. Box 456	1-5-79
Julie Anderson	1427	Kodiak	1-5-79

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NAME	ADDRESS		DATE
Mary Gaspetto	1310 Mill Bay Rd	Box 952	12/28/78
David Johnson	717 Benson	Box 2928	1/4/79
Evelyn Webber	1125 Rezanof	Box 2882	1/8/79
Virginia I Stark	1312 Rezanof	Box 827	1/9/79
Gladys Vinberg	1113 Rezanof	Box 482	1/10/79
Val F Swanson	Box 3154 (Malutin Lane)		1/10/79
Harry B Hodge			1/10/79
Norma B Lyon	Box 573 Kodiak	514 Willow ST	1/10/79
Frank Van Hulle	1315 Isanotou - Corner of 8th		1/10/79
Harry Kelley	Box 584 North Blvd		1/10/79
Michael Stevens	511 Mission Rd	Box 3180	1/10/79
Mike Pestrikoff	311 Mission Rd	Box 1734	1/10/79
Joseph L. Bridges	Afognak	P.O. Box 53	1/10/79
M. L. Bridges	"	"	1/10/79
Bobby Reynolds	1213 Rezanof	P.O. Box 2134	1/10/79
Andrew G. LeBrun	913 Williams ST	2162	1-10-79
Gretchen Large	1313 Rezanof	Box 1194	1-10-79
James E Hansen	221 Aliver Lane	Box 663	1-10-79
CA Keifer	1221 Benton	Box 2760	1-10-79
Al Olsson	1316 Mission	Box 2226	1-10-79
John R Voorhees	1716 Mission	Box 2781	1-10-79
Charles Worthington	Spruce Meadows	Box 2958	1-10-79
Tom Pedersen	1019 6th Ave	Box 2513	1-10-79
Roberta Large	512 Hillside	Box 2634	1-10-79
John Dominick	822 Mill Dr	Box 1144	1-10-79
Janice Horton	1134 Mill Dr	Box 2101	1-10-79
Alice Knowles	814 Rezanof	Box 377	1-11-79
[illegible]	814 Rez.	Box 377	1-11-79

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NAME	ADDRESS		DATE
Gary L Watson	Apt. 102 Marvin DR	Box 2422 City	12-26-78
[illegible]	Box 2422 "	Kodiak Ak	12-26-78
H. Elizabeth Blewett	Mill Bay Road	Box 614	12-26-78
Josephine Kopeun	810 Mission Road	Box 73.	12/26/78.
Linda Wright	912 Willow	Box 1776	12/28/78
Marilyn J Remmen	1014 N North	Box 2695	12/28/78
Sharon A Lee	421 Carolyn	" 2739	12/28/78
Tim McDaniel	Mill Bay Rd & Murphy	Box 2606	12/28/78
Bill Johnson	224 S Benson	Box 3114	12/28/78
Shirley D Miller	1014 Willow	Box 1751	12-28-78
Helen A Vaughan	Willow	Box 1803	12-28-78
Laura D Black	419 CAROLYN	BOX 132	12/28/78
Helen M Lee	Mission Rd	Box 2117	12/28/78
Anita Newell	Mill Bay & Otmeloi	Box 2684	12/28/78
Harvey Miller	1310 Rezanof	Box 1246	12/28/78
Bruce D Kyle	Lilly Lake Est A-4	Box 2167	12-28-8
Grace H. Miller	315 Benson	Box 1867	12-29-78
Mary R. Romadkeuk	208 Rezanof	Box Del	12-29-78
Doyle W Hayden	315 Erskine	Kodiak	29 Dec 78
Catherine Munro	521 N. Blvd	Box 457	12-29-78
Dana K. Martin	Larch St.	Box 2655	12-29-78
Fred B. Rambo	815 Willow St	Box 1457	12-29-78
Elayne Hunter-Pennell	Kodiak Circle	Box 2741	12/29/78
[illegible]	Box 2331	Kodiak	12/29/78
Randi Ann	816 Marine Ways	Box 131	12/29/78
Irene D Pearson	Box 304, Mill Bay Rd		12/29/78
Jean [illegible] Grotte	BOX 504-2717 LARCH ST.		12/30/78
M M Nelson	Box 302 Bayonoff		12/31/78
Kay Hunter	814 Mission	Kodiak	1/2/79
M Simonelli	814 Mission		1-2-79
Mary Condry	1420 Mission	Box 2313	1-2-79
Jill Kuliana	1520 Mission	Box 3353	1-5-79

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NAME	ADDRESS	DATE
R Bobbe	1417 Petroff Box 1861	12/26/78
Laurel L Bolden	1417 Petroff St., POB 1861	12/26/78
Thomas C. Gregoire	1210 North Blvd Box 622	12/27/78
Robert R. Dunn	1615 Mission Rd. Box 2117	12/27/78
Chris Jones	Apt. 12 Henriksens Box #654	12/27/78
Billie B. Gray	1323 MARCH ST. Box 442	12/27/78
Kenneth Bourgeois	B-108 Wal-Lo's Apt Box 2936	12/27/78
Phyllis Kincaid	B.2248 122D KURTOU	12/27/78
Laura L. Lefevre	1812 Limeroff PO Box 283	12/27/78
George Apokedak	1012 NORTH BLVD POB 2837	12/27/78
Judy R. Heikes	1ARch Street P.O.Box 2963	12/27/78
Don Heikes	1ARCH ST P.O. Box 2963	12/27/78
Sandra Bettis	Pinto St. P.O. Box 3136	12/27/78
Clint Sever	Erdmans Rd Ct. POBox 2368	12/27/78
Lee Ferguson	Box 447 223 Mill Bay	12/27/78
Shirley Prud	918 Hemlock CBox 2144	12/27/78
Alan J Beardsley	Murphy Way P.O. Box 361	12/27/78
gail zyke	1524 Lawndale Box 496	12/27/78
Sandy Towsley	1526 Lawndale Box 2171	12/27/78
Lloyd Marvin	Hillsong Lane - P.O. 2732 Kodiak	12-27-78
Linda Sharratt	420 Caroline - Kodiak P.O. Box 693	12-27-78
Catherine M. Gallikin	Box 1881 Alder Wood Estate	12/27/78
Marie A. Vogt	418 Carolyn Box 2867 Kodiak, AK 99615	12/27/78
Merwin Brun	416 Sargent Dr. Box 1662 Kodiak 99615	12/27/78
Ellen Pelkey	820 Wilson, Box 103, Kodiak 99615	12/27/78
Becky Dyerich	410 Erskine Dr. Box 2228 Kodiak	12/27/78
Tim Dyerich	410 Upper Mill Bay Box 3183 Kodiak Ak	12/27/78
Leonard A Shaw	300 Wilson Box 178 Kodiak	12/27/78
Richard Wallace	416 Marsh Box 1773	12/27/78
Patsy Boggs	1220 Barano Box 1362	12-27-78
Gina Branch	312-B Copper Box 994	12-27-78
Miller Z Westm	211 Mill Bay Rd. Box 1786	12-27-78

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NAME	ADDRESS	DATE
Norma Blair	816 N. Blvd Box 2337	12-27-78
Chester D. Clymer	1136 Mountain Drive. P.O. Box 122,	12-24-78
Josephine Clymer	1136 Mountain Drive Box 122	12-24-78
Basil Clymer	1311 Mission Rd.	12-24-78
Chlora Clymer	1311 Mission Rd	12-24-78
Georgia Clymer	412 Birch PO Bx 122	12-24-78
Edward J. Nelson	1013 Pine Crescent P.O. Box 814	1-8-79
Cindy Carter	1115 Purtov Box 1605	1/8/79
Rowena L Kahalewai	Larch St Annex Box 943	1/8/79
Don Ortega	~~P. Spruce Cafe~~ +	
Vernon Selmer	1115 Puntov Box 1605	1/8/79
Karen Anderson	1315 Mission Rd Box 1561	1/8/79
Michael Parise	608 Mission Road Box 304	1/8/79
Scott Brown	P.O. Box 304 Kodiak, AK	1/8/79
Gerald Markham	Bancroft Drive	1/8/79
Joan Cue	420 Carolyn Box 305	1/8/79
Roberta Ducanay	~~491 Box~~ 816 Willow PO 2874	1-9-79
Elvira V. Lucas	1113 Mill Bay Road	1-9-79
Robert L. Wilson	211 Mill Bay Road Box 2629	1-9-79
Vernon Holland	Box 843 AFF 2	1-9-79
John D Sands	1611-A MISSION RD PO 406	1-9-79
Corinne Wilson	~~Box~~ Senior Citizen Bldg. Box 498	1-9-79
Eva Samuelson	Harbor View Apts.	1-9-79
Penny Brindel	Hemlock St PO 886	1-9-79
[illegible]	1212 Rezanof	1-9-79
Marilyn McKeown	Launch PO Box 3041	1-9-79
[illegible]	521 N BLVD PO Box 457	1-9-79
[illegible]	Peronoff 1217 PO Box 1006	1-9-79
Loreda Lee Rawlings	" " "	"
[illegible]	1812 Sinionoff Box 283	1-9-79
[illegible]	150 Samilov Box 578	1-9-79
Melvin O. Wilson	1113 N. Blvd Box 1181	1-9-79

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NAME	ADDRESS		DATE
[illegible]	Box 452 CGSC	Kodiak 99619	12/20/78
[illegible]	Box 3135	KODIAK 99615	12-20-78
[illegible]	[illegible]	[illegible]	12/20/78
[illegible]	Box 234	Kodiak 99615	12/20/78
[illegible]	Box 2285	Kodiak 99615	12/20/78
Jodi B Davis	Box 411	Kodiak 99615	12/20/78
[illegible]	Box 2285	Kodiak 99615	12/20/78
[illegible]	Box 1491	Kodiak 99615	12/20/78
Linda L. Brown	Box 460 USCG	Kodiak 99615	12/20/78
[illegible]	Box 733	KODIAK AK. 99615	1-3-79
William Kordysh	Box 2772	Kodiak, Ak. 99615	1-8-79
[illegible]	Box 352	Base Kodiak, AK	1-5-79
August H. Hartman	Box 2255	Kodiak ALASKA	1-10-79
[illegible]	Box 153	Kodiak	1-14-79
[illegible]	Box 411	Kodiak	1-14-79
[illegible]	Box 511	Kodiak	1-17-79
[illegible]	Box 2822	Kodiak	1-17-79
[illegible]	Box 3045	Kodiak	1-17-79
[illegible]	Box 640	USCG	1-17-79

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NAME	ADDRESS	DATE
Norman Holm	Spruce ~~Pitter~~ Cape Rd Box 365 - Kodiak	Jan. 2, 1
[illegible]	Spruce Cape Box 801, Kodiak	Jan 2. 78
[illegible]	"	Jan 2, 1979
Marlene Cmiel	Spruce Cape Rd Box 1161	Jan 2, 19
Celestine Cmiel	Spruce Cape Rd Box 545	Jan 2, 19
Mr. Kristoffer Wright	Spruce Cape Road Box 614	Jan. 2, 197
Mary A. Wright	Spruce Cape Road Box 664	Jan. 2, 197
Christ Kagel	Spruce Cape Rd.	Jan. 2, 1979
Dee Dee E. Meredith	Spruce Cape Rd.	Jan 2 1979
Louis B. Lindsey	Box 95 Spruce Cape Rd.	Jan. 4, 1979
Catherine L. Lindsey	" "	Jan 4 1979
[illegible]	" " " Box 153 #1	Jan. 7, 1979
Betty J. Stolfield	Shakespeare Acres Box 2773	Jan. 31, 197
Carl J Erickson	Shakespeare Acres Box 2552	Jan. 31, 1979
Ilsa Erickson	" " "	1-31-79
Ralph R. Bolton	Mission Rd. Box 2852	1-31-79
Sara L. Ludwig	" " "	"
Art Zimmer	Front Island Lake Rd. Box 1582	2-1-79
[illegible]	Shahafka Acres S. Dr	2-1-79
Stephen M. Tinton	Shahafka Acres Box 1915	2-1-79
Linda C Eaton	Shahafka Acres Box 2609	2-1-79
Karen A Carr	Shahafka Acres Box 964	2- 19
Donald Ruoff	Island Lake Box 2338	2-1-79
[illegible]	Island Lake Box 931	2/1/79
[illegible]	Shahafka Acres Box 2007	2/2/79
Kenneth G. Langlois	Spruce Cape Rd	2/3/79
[illegible]	Monashka Box 2602	2/3/79
Peter F Stover	Isl. Lake Box 727	2/3-79

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NAME	ADDRESS	DATE
Lloyd R Benton	Box 903 (Balika Lane)	Jan 18, 197,
Val Jean Benton	Box 903 (Balika Lane)	Jan 18, 1979
Donald L Bumpus	Box 934 (Neva Way)	Jan 20, 1979
Harlan Bumpus	Box 934 (Neva Way)	Jan 21, 1979
Kelly Campbell	Box 1822 (Island Lake)	2/2/79
Jeanette Campbell	Box 2301 (Cliff Side)	2/2/79
Dan Campbell	Box 2301 (Cliff side)	2/2/79
[illegible]	Box 2683 Cliff Side	2/2/79
[illegible]	Box 2273 Cliffside Rd	2-2-79
Dayne W Kinsley	Box 522 Cliffside Rd	2-2-79
Carol J Kinsley	Box 522 Cliffside Rd	2-2-79
Teresa E O'Leary	Box 1571 Cliffside Rd.	2-2-79
[illegible]	2787 Cliffside Rd	2-2-79
Ellen Buck	Box 2787 Cliffside Rd	2-2-79
Jim O Brien	Box 2847 Cliffside Rd.	2-2-79
Margorie Berry	Box 2178 CLIFFSIDE LOOP RD.	2-2-79
Lupe Majdic	Box 345 Monashka Bay Highway	
Don Simpson	Box 2443 Dark Lake	2-2-79
Sandra Simpson	Box 2443 Dark Lake	2-2-79
Sabrina Hutton	Box 2239 Miller Pt Rd	2-6-79

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NAME	ADDRESS		DATE
Marie L. Chandler	Spruce Cape Rd.	Box 1635	12-27-78
V. Beth Dick	spruce cape rd.	Box 2182	1-11-79
Glenn Dick	Spruce Cape Rd	Box 2182	1-11-79
[illegible]	Spruce Cape Rd	Box 627	1-11-79
Anna Parker	Island Lake	Box 2801	1-11-79
John R. Eritman	Spruce Cape	Box 2688	1-15-79
Troy Bowen	Spruce Cape	Box 2733	1-16-79
[illegible] Holmes	Millberg Rd	Box 901	1-16-79
[illegible]	[illegible]	Box 834	1-3[illegible]79
Margarete von Steele	Spruce Cape	Box 345	1-14-79
Andrew Sheratire	Spruce Cape	Box 2315	1-2-79
Esther Sheratire	Spruce Cape	Box 2315	1-2-79

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NAME	ADDRESS	DATE
Judy Richardson	Cliffside Loop Rd	January 5, 19
Mr. and ~~Mrs.~~ G Brain	" "	" 8 1979
Mr & ~~Mrs~~ Neil C French	" "	" 8, 1979
~~Mr. & Mrs. Ron Smith~~	Woodland Acres City	~~Jan. 28, 1979~~
~~Mr Timothy Haigh~~	~~Woodland Acres~~ City	~~Jan 28, 1979~~
Peter C Kaneshi	Cliff Side Loop Rd	Jan 28, 1979
Sara Kaneshi	Cliffside Loop R.	Jan 28. 1979

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NAME	ADDRESS	DATE
Elmer D. Wooten	DARK LAKE, BOX 3016	20 Dec, 1978
[illegible]	Box 4417 Spruce Cape Rd	20 Dec 1978
Burt Randolph	BOX 414 (SPRUCE CAPE RD.)	20 DEC 1978
Joyce A Wooten	Dark Lake, Box 3016	Dec 20, 1978
Lucian W Fields	Dark Lake Box 3012	Dec 20, 1978
Ina Ruth Fields	" "	" "
[illegible]	[illegible]	[illegible]
Thomas C Duncan	Dark Lake Box 3114	12-19
Shirley L Duncan	Dark Lake " "	12-19

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NAME	ADDRESS		DATE
Lynn Hoel	Box 1272	Kodiak, Ak 99615	1/14/79
Kevin Clarke	Box 1883	Kodiak, Ak 99615	1/14/79
Wallace J. Flynn Jr.	Box 2615	1010 Mission Kodiak, Ak	1/17/79
Fred C Andrykey	Box 1675	Kodiak Alaska	1/17/79
Ann F Bradenger	Box 1675	" "	1/20/79
C. Whitsell	Box 911	1113 Mill Bay Kodiak	2/01/79

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NAME	ADDRESS	DATE
Kermet M Covey	619 Marine Way Kodiak	1-31-79
K. Diane Haight	1119 Mission Rd.	1-31-79
Timothy A Haight	1119 Mission Rd.	1-31-79

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NAME	ADDRESS	DATE
Mack S. Dodson	m/v Mitofania	1-14-79
Merton A. Dodge	P.O. Box 97 Kodiak	1/26/79
Tom Tarlaja	PO Box - 2993 - Kodiak, AK.	2/1/79
A.F. Jones	P.O. Box 1490 Kodiak	2-1-79

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NAME	ADDRESS	DATE
Sharon Florence	Box 2401	1/12/79
Dennis P. Murray	Box 2029	1/12/79
Penny Caguanay	P.O. Box 1517	1/12/79
Judith Sundstrom	Box 187	1/12/79
Pat Jacobson	Box 1313	1/14/79
M. Wade Kautzer	Box 312	1/22-79
Frances E. Eden	Box 1263	2/1/79
Audrey Reynolds	Box 2134	2-3-79

DR. JOHN T. SHANK
OPTOMETRIST
P. O. BOX 827
KODIAK, ALASKA 99615

TELEPHONE 486-5504

February 8, 1979

To Whom it May Concern:

As a property owner in Woodland Acres, Lot 1, I am in favor of annexation.

Sincerely,

Dr. John T. Shank, O.D.

TESTIMONY??

Box 1132
Kodiak, Alaska 99615

2/7/79

Joint Committee on Community & Regional Affairs
meeting in Kodiak, Alaska on 2/10/79

Gentlemen:

I have home and property on lot 11, Survey 3104, which lies within the effected Island Lake annexation area.

I would like to state that the surprise move to annex that area by the Kodiak City Council took place without either my knowledge or consent.

I am strongly opposed to the annexation of the Island Lake area. I feel that my rights of notice and due process have been violated, and request that you move to take steps to prevent this annexation from taking place.

Respectfully,

Mark White

Box 352
Kodiak, Alaska 99615

February 8, 1979

Mrs. Gaynell Hatcher
Kodiak City Council Member
Kodiak, Alaska 99615

Dear Gaynell:

I have resided in Kodiak for 16 years and have been a home owner for 5 years. Inasmuch as I feel that it would be beneficial to the taxpayers of this town, I would like to go on record as favoring annexiation.

Sincerely,

Marion Soule

(Mrs.) Marion H. Soule

Peter M. Resoff
Cliffside Road
Kodiak, Alaska

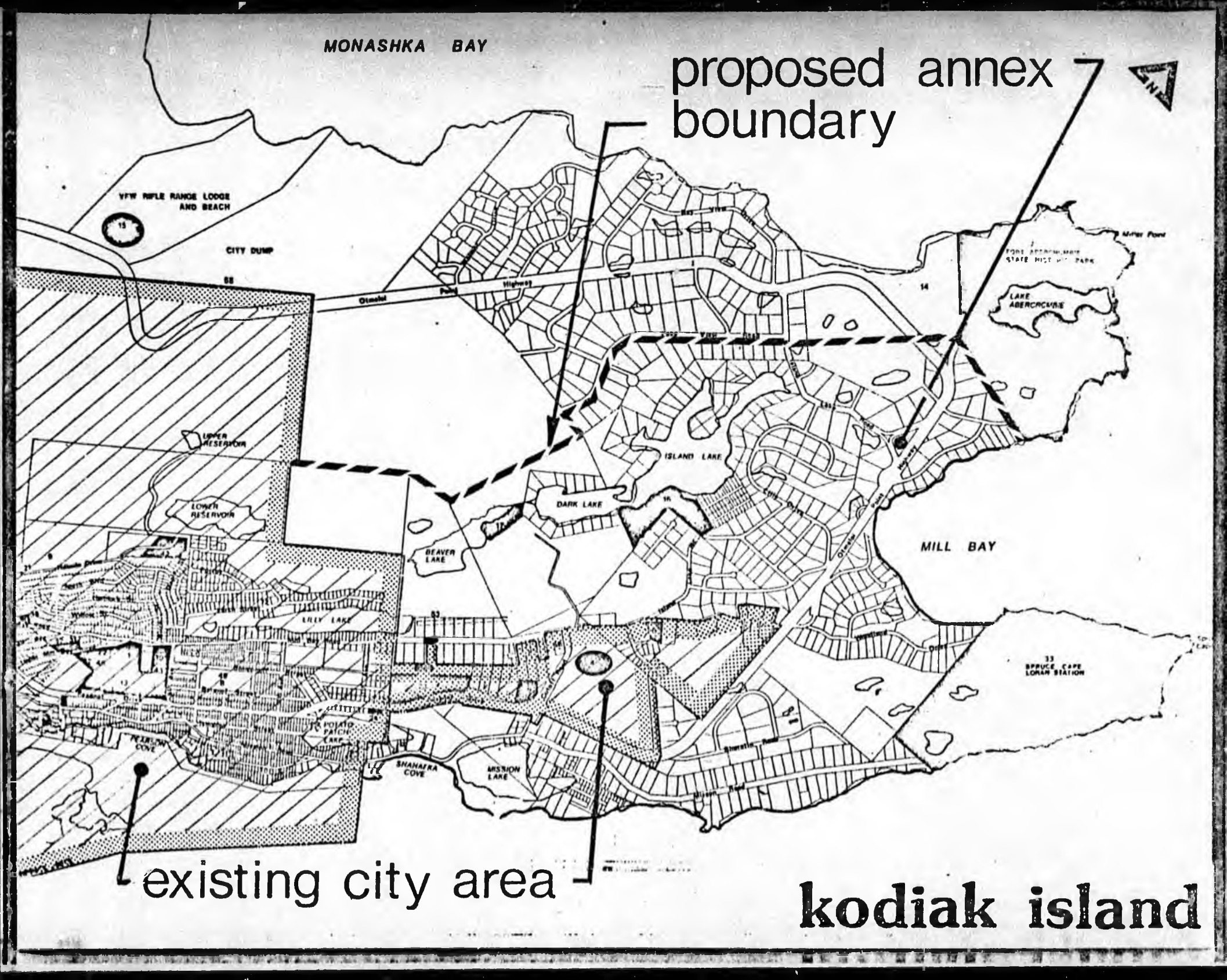
February 10, 1979

Community and Regional Affairs Committee
Juneau, Alaska

Dear Mr. Chairman and Members of thw Committee:

My name is Pete Resoff, and I live on Cliffside Road, which is within the boundaries under consideration for annexation by the City of Kodiak. I do not choose to become involved in an emotional controversy on annexation, but I do support a development that will not be in conflict with the existing standards of the City of Kodiak. I do not support Service Districts as they tend to be too costly.

Sincerely,
Peter M. Resoff


MONASHKA BAY
proposed annex boundary
VFW RIFLE RANGE LODGE AND BEACH
CITY DUMP
Otmeloi Peking Highway
LAKE ABERCROMBIE
UPPER RESERVOIR
LOWER RESERVOIR
ISLAND LAKE
DARK LAKE
BEAVER LAKE
LILLY LAKE
MILL BAY
BRUCE CAPE LORAN STATION
SHAHAFKA COVE
MISSION LAKE
existing city area
kodiak island

TESTIMONY OF THE KODIAK ISLAND BOROUGH
BEFORE THE HOUSE AND SENATE COMMITTEES ON
COMMUNITY AND REGIONAL AFFAIRS
REGARDING THE PROPOSED ANNEXATION
BY THE CITY OF KODIAK OF
THE MILL BAY ROAD & MISSION ROAD AREAS

The residents of the Kodiak Island Borough, and particularly of the territory proposed for annexation, are gratified that the Chairmen and members of your Committees have brought these hearings to the people of Kodiak so that they may participate fully in the legislative process. We are hopeful that exposure to the views of the people most directly affected by this controversy will result in an appreciation by Committee members of the lack of need for, and the inequities inherent in, this annexation proposal.

A bit of history may be helpful here. The City of Kodiak was incorporated on September 11, 1940; it is a home rule city. The Kodiak Island Borough was formed on September 24, 1963, as a second class borough capable of providing a wide range of services. The Borough runs the school system in Kodiak, has area-wide planning and zoning powers, operates the hospital under its health powers, has parks and recreation powers, operates a fire district through contract with the City, and has established a service area -- with voter approval -- for the furnishing of sewer, water and road service to the region involved in this annexation proposal.

Kodiak (the City), meanwhile, operates the dock and harbor facilities; runs the City library, conducts a City parks and recreation program, and operates police, fire and public works departments. The area proposed for annexation has little in common with this essentially downtown focus.

The people who live in the territory are present today in substantial numbers to describe their lifestyle and their views. The basic fact, however, is that much of this area is hardly "urban" as we would know it. As opposed to average lot sizes within the City of approximately 7200 square feet, most of the people in the region proposed for annexation live on lots of at least one to one and a quarter acres -- some on tracts of 40 to 60 acres. These people chose to locate their homes in this part of the island because they wanted more land and less governmental regulation.

The annexation process was initiated by the City in the Fall of 1977, when it filed a petition with the Department of Community and Regional Affairs seeking inclusion within its boundaries of a handful of lots along Mill Bay Road. The Local Boundary Commission conducted a hearing on the petition in Kodiak on December 12, 1977. Close to 30 people testified, many of them residents of the area presently proposed for annexation but beyond the Mill Bay Road lots described in the petition. (It was surmised at that time that the City intended to pursue a broader annexation plan, and the residents involved were determined that their position on such a proposal be known from the outset.) The nature of the testimony offered in December of 1977 was unequivocal: the residents were unanimously opposed to annexation. Only one person testified in favor of the petition: the City manager.

The Local Boundary Commission took the initiative thereafter, deciding to return to Kodiak for a second hearing on May 20, 1978. This time the requested annexation encompassed virtually all the habitable, developed land along the Kodiak road system. Again, the testimony was overwhelmingly opposed to annexation. Out of at least 35 witnesses, only six individuals spoke in favor of annexation: the

City attorney, the City manager, the former City finance director, an individual who had previously testified against annexation (stating that he had signatures from 75 to 80 percent of his renters opposing annexation), and two other individuals. On August 16, 1978, the Local Boundary Commission met in Anchorage and voted to recommend annexation of the Mission Road and Mill Bay Road areas, but not of the other regions proposed by the City.

Committee members may be wondering about the Borough's interest in all this. The basis for concern is simple: the Borough has been innundated with requests from citizens in the territory to protect them against the annexation. The Borough staff and assembly and mayor have exercised their respective and collective judgments on the matter and have determined that the people are right on every point: this annexation flies in the face of every notion we hold dear about democratic process; there is absolutely no need for annexation from the residents' point of view; there is no justification for annexation from the City's economic perspective; and finally, the City has not shown itself to be of such caliber and ability that its jurisdiction should logically be expanded.

The undemocratic means by which we came to this crossroads speaks for itself. The Boundary Commission, because it deals in questions of annexation on a frequent basis, is presumed to have a certain expertise in these matters. It is not required, under Alaska's statutory scheme of things, to let the people vote on whether they want to be annexed. The Borough's position is simply that this approach -- whereby a governmental regime may

be forced upon a group of unwilling citizens -- has no place in our American -- or Alaskan -- way of life. In this particular instance, the people involved are opposed to annexation and for good reasons. Abstract notions of appropriate governmental order which the Local Boundary Commission may have developed over the years appear to be misguided as applied to the specific fact situation in Kodiak.

Let's look at the purported need for annexation from the City's viewpoint. The City has claimed that the people need garbage service, that the people need animal control, that the people need better police protection, that the people need sewer and water, that the people need roads. What do the people say? In a survey conducted in 1977 by the Anchorage Urban Observatory of the University of Alaska, Kodiak residents outside the City showed virtually no interest in animal control or in expanded police protection; (they are currently served by the State Troopers). Some concern was expressed about roads, but interestingly enough, less than was expressed by residents living inside the City.

As for sewer and water, many of the citizens in the annexation area have invested thousands of dollars in wells and septic tanks which adequately service their property. In some places, however, notably the Island Lake area, sewer and water problems do exist. Citizens of the region will most likely provide you with the series of events leading up to the present state of affairs. The gist of the story, however, is that the City installed a temporary, plastic water line on an emergency basis several years ago. The line has long since proved deficient, and efforts to have the City upgrade the line and provide more adequate service have been of no avail. The citizens, thus, approached the

Borough for assistance. Through the election process, the Borough has formed a service area capable of meeting the residents' needs. (Election held April 18, 1978.)

The City therefore, has nothing to offer these people that the service district mechanism cannot provide. The advantage to the people of the service district approach is that they can vote for, and establish, and pay for the level of service that they actually need and can afford. And they are not saddled with the expense of services that are not required, and the application to them of ordinances and regulations which make no sense to their lifestyle.

The argument that may have some surface appeal to members of the Community and Regional Affairs Committees is that based on the economic equities of the situation. The City has argued that the people outside its boundaries use the City streets and therefore, should pay for their maintenance; use the City library, and therefore, should pay for its books; use the cargo dock and boat harbor, and therefore, should pay for those services, and so on through each of the facilities and services the City offers.

Of course, these economic grounds are never justification, standing alone, for annexation. Otherwise, the Local Boundary Commission would have recommended that the Coast Guard station be annexed, as well as Monashka Bay. In addition, it is noteworthy that the Local Boundary Commission regulations themselves safeguard against undue emphasis being placed on this particular factor. The regulations require that the Local Boundary Commission "consider alternate methods available to the

City for offsetting the cost of providing services to individuals or property beyond its property taxation powers. (19 AAC 05.010 (a)(8

In fact, the City has had such "alternate methods" in effect for several years now. First, residents outside the city contribute to City funds through the Borough's furnishing of facilities such as the swimming pool and through direct payments, as in the case of the library. Second, the City appropriately collects user fees to cover its enterprise activities. To the extent that monies from the general fund may have been necessary in the past to carry such activities, the City should properly look to a reevaluation of its fee schedules. Third, and most critically, the City levies a three percent sales tax on all goods and services sold within its limits, including operations based within the City which make deliveries or otherwise provide services in the outlying areas. For the most part, you cannot buy a sack of groceries, an article of clothing, a notebook for your child's school work or a motor for your boat, without paying taxes on your purchase. Nor can you run into marital difficulty and call upon your lawyer; or - adding insult to injury - prepare your income tax returns with the help of your accountant; or - most costly of all - come home to frozen pipes and solicit the assistance of a plumber, without, once again, paying your friendly City tax collector three cents on every dollar spent. So while the residents outside of the City may not pay quite as much as City dwellers, they do pay a substantial amount. Considering that non-residents do not take advantage of City services to the same extent as those who live within its jurisdiction, it would seem that the contribution is more than adequate.

There is, additionally, an unusual twist to this sales tax business which suggests that non-City residents may actually be paying more than their fair share. For the monies derived from the sales tax are used in part to foot the bill incurred by owners of personal property within the City: their personal property tax owed to the Borough is paid out of sales tax receipts collected by the City. For the City resident with two cars and a boat, a substantial savings is achieved through this arrangement. For the resident of Spruce Cape who lives in a trailer and has a car located on his property, there is no such windfall. He must pay his Borough personal property tax out of his own pocket -- and pay for his City neighbors' as well. Given the fact that people in the annexation area do not want the full array of City services, their sale tax contributions would seem more than adequate to compensate the City for those benefits actually received.

The Borough's final concern, again, and always, reflecting the concerns of its citizens, lies with the City's historical approach to annexation and to the provision of services within its existing boundaries as well as in the territory proposed for annexation. At previous hearings, citizens have testified, as perhaps they will again today, that they have come to the City and requested hook ups to sewer or water lines running contiguous or close to their property. These individuals were willing to pay the appropriate hook up and service fees. The City has refused to provide such service unless the individuals involved agreed to the annexation of their property to the City.

The City is entitled to, and does charge a higher rate for those utility customers who receive service beyond its boundaries. There can be no economic justification, therefore, for its action in refusing to hook up non-City customers. The City has claimed that it does not have the authority to service customers beyond its limits. I refer Committee members to a letter f om the City Clerk, Libby Presnall, to the Local Boundary Commission, urging action on certain individual lot annexations on the grounds that "Several of the lots need water and sewer which the City has no authority to extend at this time." Yet AS 29.48.040 provides that "a municipality owning or operating utilities may extend service to adjacent areas outside its municipal limits." The City's own Charter authorizes the operation of public utilities "either within or beyond its corporate limits." (Art. VIII, Sec. 8-1.)

There is still another wrinkle on this utility question -- the only real service any of these people are seeking. That is the agreement entered into in 1970 between the City and Borough for the cooperative provision of sewer and water services to the entire Kodiak area. The City could not have obtained the funds to build the sewage treatment plant without the Borough's cooperation, and without assurances given to the State and the federal government that the services would be provided areawide. Yet the City has refused, time and again, to honor its agreement and provide these services.

The Legislature is not being asked to determine the legality of the City's past practices and refusal to act. But the

Legislature is asked to understand the people's point of view: the Borough, through the service district mechanism can now provide the needed utility services. There is nothing else these people want or need from the City. Given the fact that the City has long had the power and, allegedly, the capability of providing these citizens with water and sewer services on an economically sound basis, and given the City's rather extortionist refusal to extend these services, why should the people now be forced into the City's jurisdiction?

There is another question regarding the appropriateness of an extension of municipal boundaries in this case. That is the City's track record within its existing limits. You may receive individual testimony on this point. I know you have received letters relating the poor road and sewer conditions within the City's current boundaries.

What then, is the Legislature's role in this dispute? Under our Constitution, the House and Senate have full power to let this annexation take place by failing to pass Senator Mulcahy's and Representative Zharoff's joint resolutions. The people, however, have voted legislators into office based on a belief that you are individuals capable of understanding and representing the citizens' needs and wants. You as Committee members can exercise appropriate discretion and determine that this annexation is not in the people's best interest.

Neither the people inside the City nor those outside see themselves as having the same aspirations at this time. There is a decidedly more rural lifestyle in the vast majority of the area proposed for annexation. There is a typically Alaskan desire not to be hassled by government intrusion -- be it services

that are not desired, regulations that make no sense, or taxes that threaten the very nature of one's existence.

The State's legitimate interest in this case is not at variance with the local interest. Both are concerned with sound and fair government and an adequate provision of services for the people affected. On behalf of the citizens of the Kodiak Island Borough and all the State, I urge you to consider the realities of Kodiak today, as presented by the citizens who will testify before you. I request that the House and Senate Committees on Community and Regional Affairs, respectively, recommend passage of the Zharoff/Mulcahy resolutions. Thank you very much for your attention.



City of Kodiak

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

September 13, 1978

Local Boundary Commission
Department of Community and
Regional Affairs
Pouch B
Juneau, Alaska 99811

Gentlemen:

The City of Kodiak has had two annexations pending for some time, namely, Lot 1, Block 1, USS 1822 and several parcels of land that are owned by the City and known as the municipal airport property. The City is presently processing two additional lots under the hundred percent method for annexation. All of these lots are in the area recently recommended by the Boundary Commission to the Legislature for annexation; however, there are immediate problems that need to be resolved.

Several of the lots need water and sewer which the City has no authority to extend at this time. One lot in particular hooked up to the City sewer without permission because the Department of Environmental Conservation was going to close the trailer court. There are charges involved with the service which the City cannot require unless they are within the City. The City is presently planning to provide property for lease at the municipal airport for tie down spaces that are desperately needed but for regulation and control feel that this area should be in the city limits.

I understand that you will be holding a meeting on October 3, 1978 and request your consideration of the above at this meeting. The City will have the two new annexations to you in time for this hearing. Your assistance in this matter will be appreciated.

Sincerely,

CITY OF KODIAK

Libby Presnall, CMC
City Clerk

ATTACHMENT C

RECEIVED
SEP 18 1978
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

CERTIFIED EXCERPT
KODIAK ISLAND BOROUGH ASSEMBLY PROCEEDINGS
DECEMBER 1, 1977

City of Kodiak Annexation Initiative

The following is an excerpt from testimony rendered by Mr. Ivan Widom, City Manager, City of Kodiak, at the Kodiak Island Borough Assembly regular meeting of December 1, 1977:

> "On December the 13th, in this room, the Local Boundary Commission will hold a hearing on the annexation of the Mill Bay Road area between the City limits and Cutoff Road. At that time I will also ask the Boundary Commission to consider annexation of the Mill Bay - Monashka area under discussion this evening. I personally feel that by establishing the Mill Bay - Monashka service area you will preclude the need for the residents to annex to the City."

I, Shirley Miller, being first duly sworn on oath, depose and say: that I am Clerk of the Kodiak Island Borough and that at the regular meeting of the Kodiak Island Borough Assembly held on Thursday, the 1st day of December, 1977, Mr. Ivan Widom, City Manager, City of Kodiak, made the above presentation and I do hereby certify that this is a true and official copy of that proceeding as recorded on tape.

ATTEST:

Shirley Miller
Shirley Miller, Clerk-Treasurer

Subscribed to and sworn to before me this 12th day of December, 1977.

Margaret L. Davis
Notary Public for Alaska

My Commission Expires: Oct. 14, 1980

ARLISS STURGULEWSKI

PRESENTATION MADE BEFORE THE ANNEXATION COMMITTEE
December 12, 1978
by City Manager Clair Harmony

I. Should annexation become a reality this January, we at City Hall have tried to set up a preliminary plan:
   1. What will take place
   2. What the 2,000 residents of the new area might expect in the way of effective delivery of services and, of course, what their concerns are now.

We are here tonight to present our best *estimates* as to costs, taxes, location of services, and to offer some options.

We are not in an advocate role, but are simply trying to do some preplanning for an action which at this point in time has been initiated and recommended by the Local Boundary Commission and will be going before the State Legislature in January.

The existence of the Annexation Committee, and this public hearing before that body, are sincere efforts to encourage expressions of public concern and input. Hopefully the committee will formulate a policy statement that can be adopted by the Kodiak City Council, which will provide for the following:
1. Early and special representation.
2. Reasonable differential property taxing zones.
3. Efficient priorities on road improvements.
4. Quality Police and Fire services.
5. Good delivery of water and sewer services.
6. Ultimate expansion of Parks/Recreation and Library services.
7. Modifications that might be envisioned by the community at large, the public here tonight and the committee, through its deliberations.

1. As to early representation:
   a. Voting franchise rights would become effective immediately.
   b. In addition, a special representative would be elected from the new area, to serve in an advisory capacity with the City Council for three (3) years.

2. The differential taxation zones would attempt to provide some equity based on the delivery of services such as roads, police and fire. As long as the City cannot get a fire truck to a home because of poor access routes, there should be less of a tax burden on that homeowner, and so on.

   Basically the difference between Fire Zones 1, 2 and 3 are that Zone 1 would receive 100% delivery of City services, therefore the

full mill rate (9.10). Zone 2 would have no effective delivery of fire service and are those areas where the roads are not maintainable, thus 75% mill rate.

Zone 3 would pay a 50% mill rate and would have poor delivery of police, fire and road improvements. All zones would be changed over the next several years as these services are upgraded.

3. Improvements to roads would progress at a reasonable rate, funded by increased shares in State Revenue Sharing, highway funding and, hopefully, the commitment by the State Legislature to fund greater levels of capital improvements. This could accellerate quality delivery of services to the annexation area.

4. Police and fire services can be expanded from revenue sharing funds, together with the slow phasing out of the State Troopers.

5. Water and sewer services which are funded through assessment districts. State and Federal grants could proceed in higher density areas, and be in as early as 1980 in those areas.

6. Parks/Recreation and Library services would expand on a somewhat slower basis, I would guess, and generally would be funded by general assessments and grants.

II. Briefly, advantages of annexation would include:
1. Relief to the polluted conditions of Island Lake.
2. Better fire and rescue.
3. Quality delivery of water at a lower user rate.
4. Exemption of personal property taxes.
5. Reduction in fire insurance rates.
6. An equal voting status with your neighbors inside the present City boundaries.
7. Plus other factors which will insure for the general health and welfare of the whole area.

III. Conclusion

In conclusion, we are here tonight to answer questions about annexation, which may or may not take place. It is sort of out of our hands. We have tried to research the various possibilities without spending an exorbitant amount of time and City dollars. What is really needed are the expressions on your concerns which can help the City Council provide reasonable alternatives and effective delivery of service, should annexation become a reality.



Special Supplement to the Kadiak Times and Kodiak Daily Mirror

City of Kodiak

SPECIAL REPORT
ANNEXATION

The area outlined below has been recommended for Annexation by the State of Alaska Boundary Commission. It generally encompasses the area from the existing City limits to Spruce Cape along the water — then to Abercrombie and along Lake View Drive.

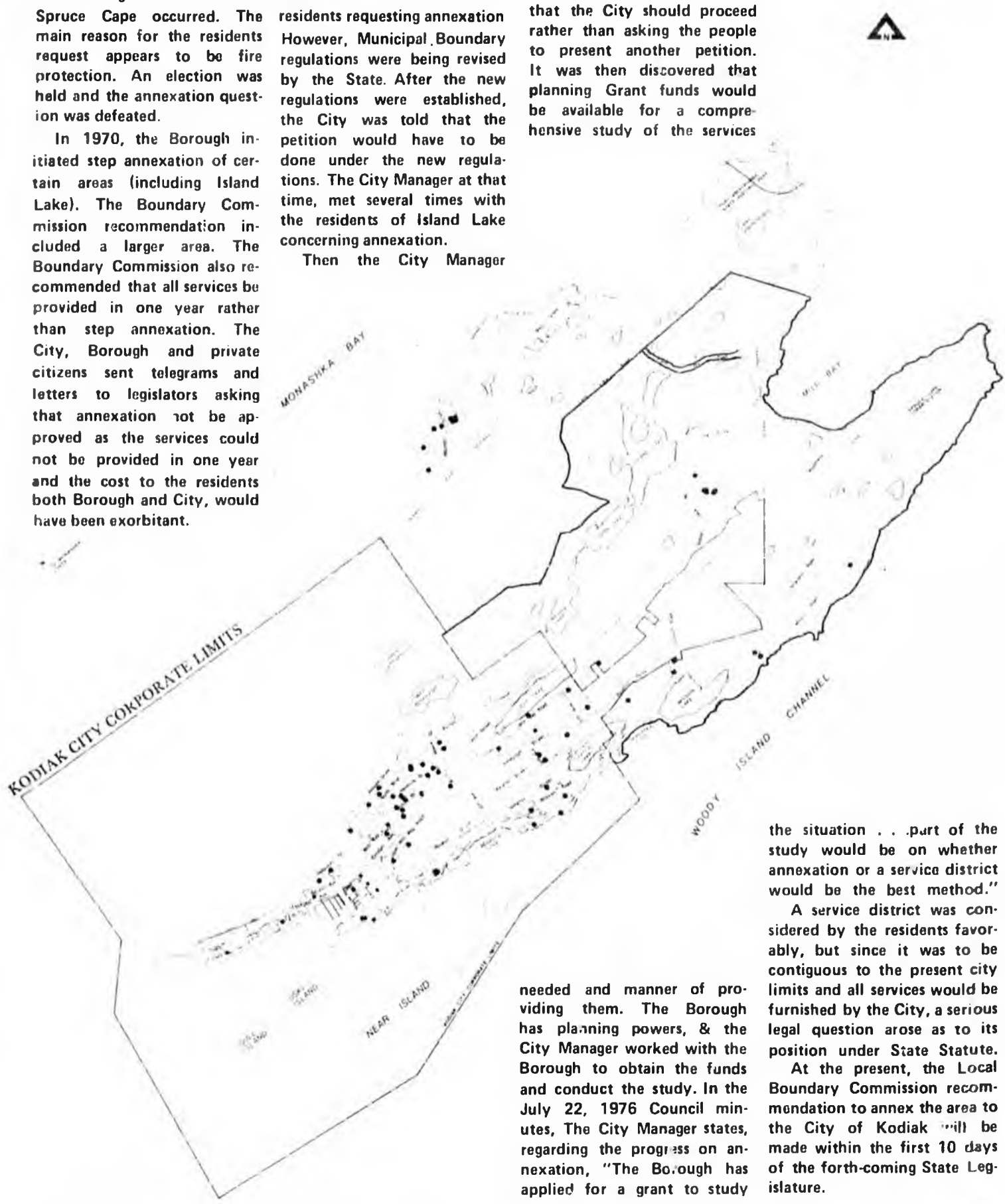
ISLAND LAKE ANNEXATION HISTORY

In 1968, the first attempt at annexing Island Lake and Spruce Cape occurred. The main reason for the residents request appears to be fire protection. An election was held and the annexation question was defeated.

In 1970, the Borough initiated step annexation of certain areas (including Island Lake). The Boundary Commission recommendation included a larger area. The Boundary Commission also recommended that all services be provided in one year rather than step annexation. The City, Borough and private citizens sent telegrams and letters to legislators asking that annexation not be approved as the services could not be provided in one year and the cost to the residents both Borough and City, would have been exorbitant.

In 1972, petitions were received from Island Lake residents requesting annexation However, Municipal Boundary regulations were being revised by the State. After the new regulations were established, the City was told that the petition would have to be done under the new regulations. The City Manager at that time, met several times with the residents of Island Lake concerning annexation.

Then the City Manager discussed the problem with the Council and it was agreed that the City should proceed rather than asking the people to present another petition. It was then discovered that planning Grant funds would be available for a comprehensive study of the services needed and manner of providing them. The Borough has planning powers, & the City Manager worked with the Borough to obtain the funds and conduct the study. In the July 22, 1976 Council minutes, The City Manager states, regarding the progress on annexation, "The Borough has applied for a grant to study the situation . . .part of the study would be on whether annexation or a service district would be the best method."



A service district was considered by the residents favorably, but since it was to be contiguous to the present city limits and all services would be furnished by the City, a serious legal question arose as to its position under State Statute.

At the present, the Local Boundary Commission recommendation to annex the area to the City of Kodiak will be made within the first 10 days of the forth-coming State Legislature.

CITY RESIDENTS CHARGES FOR SERVICES
—BY MILL RATE—

PRESENT CITY | **ANNEXATION AREA**

	1978/79 Budget	Less;	Charges for Services Cargo: Cargo Dock	Boat Harbor	Water/Sewer Utilities	Payments From Sales Tax		%	X 9.1 Mills	X	1978/79 Real Property Assessed Valuation	
	$		$	$	$	$	$				$	$
Legislative & Legal	72,500						72,500	2.18	.19		17,646,115	3,353
Executive	79,660		4,672	3,983	7,966		63,039	1.90	.17			3,000
City Clerk	86,358		2,892	4,376	8,752		70,338	2.11	.19			3,349
Finance	242,799		19,604	11,541	34,708		176,946	5.32	.49			8,647
Police	873,129						873,129	26.25	2.39			42,174
Fire	351,284						351,284	10.56	.96			16,940
Public Works	771,650		31,862	4,000	359,061		376,722	11.32	1.03			18.175
Parks & Recreation	111,802						111,802	3.36	.31			5,470
Library & Museum	172,679						172,679	5.19	.47			8,294
Engineering	184,092						184,092	5.53	.50			8,823
Non-Departmental												
Borough Personal Property Tax	431,600						431,600	12.98	1.18			20, 822
Captial project transfer	588,807					588,807						
Bond Payments	137,158						137,158	4.12	.38			6,705
Miscellaneous (1)	306,356						306,256	9.18	.84			14, 825
Totals	$4,409,874		$59,030	$23,900	$410,487	$588,807	$3,327,650	100%	9.10	X	$17,646,115	$160,579

	$
(1) Insurance	115,000
Public utilities ,Street Lights	80,000
Council on Alcoholism	204,60
Senior Citizens of Kodiak	2,500
Miscellaneous	39,000
Contingency	44,396
	306,356



Rates vary within Districts depending on distance of dwelling from Hydrants & Station as well as accessibility.

HOMEOWNERS FIRE INSURANCE RATING AS THE AREA IS AT THIS TIME
(example)

Town Class 5	House Valuation	Island Lake Area Class 9
$306	$50,000	$619
	WITH FIRE SUBSTATION BUT NO HYDRANT	
$306	$50,000	$536
	WITH FIRE HYDRANTS BUT NO FIRE HOUSE	
$306	$50,000	$338
	WITH STATION & HYDRANTS	
$306		$306

The area that is presently served by contract with the city pays 2.3 mills for fire service.



EXAMPLES OF MILL RATES

Borough	7.0	City	
Fire Service	2.3	All services	16.1
(Bell's Flats)	7.2		

Borough residents in the proposed annexation area now pay:

Borough	7.0
Fire Service	2.3
	9.3

Borough residents at Bell's Flats pay:

Borough	7.0
Road Service	7.2
	14.2

WHAT ABOUT PARKS/RECREATION/LIBRARY

City Recreation Program system utilized approximately / 28% Borough Residents outside the City
City Library System utilized approximately 40% Borough Residents outside the City

Expanded Library Service expected for additional Boro/City Residents as Funds allow

Suggested Park Development Priority

1. Mill Bay Ocean Park
2. Boy Scout - Island Lake
3. Russian Mill Site - Mill Bay
4. Park at Oceanside - Abercrombie (Cry of Ram) Area.

WHAT ELSE WOULD YOU

LIKE CONSIDERED ?

List of Programs

Teen Center
City League Volleyball
Badminton
Women's Exercise Program
Swimming Pool Superision & Lessons
Summer Recreation Program
Tennis Lessons & Tournaments
Softball and Baseball
Cross Country Ski Classes
Special Recreation for Handicapped
Crab Festival Games
A.A.U. Programs - Swimming

WHAT ABOUT WATER & SEWER



The City of Kodiak engineering department has been doing preliminary planning for water and sewer service to the proposed annexation area so that construction could begin as soon as possible, if annexation were approved. Previous studies have been incorporated. It is anticipated that grants will be received for 50% to 75% of the costs.

The City has to the best of its ability incorporate the previous work of the citizens and engineering firm retained by the Borough. Plans showing proposed water and sewer lines will be available at the public meeting.

One unusual concept advanced is to allow acceptable Septic Systems in low denisty hard to reach areas in order to keep cost down and to allow assessment relief for the life of the System. Detailed engineering can not be realized until annexation is a reality & appropriate Grant monies can be applied for.

WHAT ABOUT ROADS

1st Priority?

1. Unamed Road in U.S.S. 3467
2. Track A Island Lake
3. Unamed Road in U.S.S. 3219, 3103, 3464 I and Lake
4. Cliffside & Cliffside Loop
5. Seabreeze & Woodland
6. Unamed Road in U.S.S. 3099



2nd Priority? What else should be done.

Reconstruct for purpose of snow removal, road grading, fire & police coverage.

There are 2½ miles of maintainable roads in the area. Maintenance means grading, drainage, snow removal and dust control.
With a minimum of work another 2½ miles of road would be maintainable.

WHAT ABOUT POLICE



Available on maintainable road system with one year or more additional coverage of state police - dispatch available on personal, telephone, or C.B. contact. Additional policemen and vehicles will be added as necessary to cover the entire area.



DIFFERENTIAL TAXATION?

WHAT IS IT ? A method of allowing new residents a break on taxation until they receive the same type and quantity of services as other residents.

Zone No. 1



Generally that area next to Mission Road outside the present boundaries that may enjoy all City services afforded present City residents. Present Mill Rate for City purposes at 100% would apply.

Zone No. 2

Generally that area north of Mill Bay USS 2467, Shafaka Acres, Block 7 Monashka Bay subdivision that cannot receive full services. Mill Rate at 75% would apply.

Zone No. 3



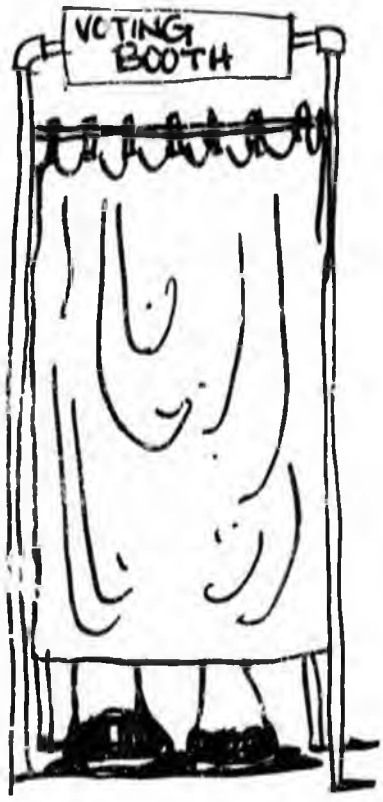
Generally that area of Woodland Acres, and back of Island Lake that the city is presently unable to reach adequately with fire & police due primarily to present road conditions. 50% of the City Mill rate.

SEE THE CITY'S MAP

EARLY & SPECIAL REPRESENTATION

Early representation is afforded by a City Charter provision which allows any resident who has lived in the newly annexed for 2 years and in Alaska for 3 years the ability to run for Mayor or Council.

Also, the City Council by special provision will ask for the election of a special representative from the annexed area to serve as an advisor with the council for 3 years. Residents of the annexed area will of course vote for all council members and mayor as their respective terms expire.



THE CITY MADE THE FOLLOWING PROMISES IN RESOLUTION NO. 24 - 78

CITY OF KODIAK

RESOLUTION NO. 24 - 78

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska as follows:

1. The City will, to the extent possible, establish and implement in the areas to be annexed, a system of differential taxation for any such areas that do not receive all services of the City supported by taxation or which receive these services at a level different from that provided in other areas of the City.

2. The City Manager is hereby directed to develop tentative plans for the provision of services to the areas proposed for annexation and to determine whether the City may be prevented by requirements for capital improvements or for other reasons from providing full services to portions of those areas for any temporary period of time. On or before October 1, 1978, the City Manager shall report to the Council and advise of the areas where provision of full services may be temporarily delayed, the level of service that will be provided and the estimated differential in cost between full services and the services to be provided.

3. The City Manager and the City Attorney shall explore existing legal requirements regarding residency requirements for voting and elective office, and the existing number of Council Members an make recommendations to the Council on or before October 1, 1978, regarding possible changes in law or policy to provide residents of newly annexed areas with representation within the City comparable to that currently available to City residents, and any recommendations regarding required changes in ordinances to implement that objective.

4. The City shall engage in an information program regarding the proposed annexation with the objective of making the public and the legislature aware of the need for and benefits of annexation, and shall employ the services of a qualified person, to the extent determined advisable, to actively support approval of the annexation by the Alaska legislature.

PASSED AND APPROVED this 24th day of August, 1978.

LET THE CITY KNOW WHAT OTHER WRITTEN PROMISES YOU WANT:

GOT A QUESTION?

Annexation Committee:	Phone Number
Bob Waage	486 - 4493
Emil Norton	486 - 5178
Marion Johnson	486 - 5171
Bob Brooks	486 - 5815
Nick Szabo	486 - 3853
Pete Resoff	486 - 4463
City Manager - Clair Harmony	486 - 3224

PUBLIC MEETING

These Ideas are proposals and the City Needs your input.

A Public meeting with the Annexation Committee will be held on December 12 1978 at 7 p.m. in the Council Assembly Chambers.

EDITORIAL:

A crying need

Kodiak and the Aleutian Chain need another ferry to replace or support the M/V TUSTU-MENA.

Kodiak should not be left alone for two months without ferry service. The ferry will leave on its last trip Jan.31 and will not return until March.

Former State Senator Kay Poland, D-Kodiak, says "I may not be in office anymore, but you can't turn your interest off just because you're not in office. I suppose I'll always feel strongly on issues that affect the state and Kodiak in particular. . ."

Kay asserts, and we strongly agree, that the ferry as part of Alaska's Marine Highway System "is just as much a part of our road system as our highways are. . ."

Mrs. Poland points out that the ferry also helps somewhat to keep the soaring cost of living down.

Kay tried for four years to get a freight-passenger ferry for the Aleutians. That same ferry could serve as a back up for the TUSTUMENA. While the "Trusty Tusty," may be beloved, she is getting to be quite an old lady. We need a new one. The TUSTUMENA was one of the first ferries built in the early 1960's. She's also the only ocean going ferry. As Mrs. Poland points out, "When she goes we're left with nothing. There's nothing to back her up. There's nothing even on the drawing boards."

Kay anticipates it would be at least three years from concept to completion if the much needed additional ferry were to be approved tomorrow.

As Senator, Mrs. Poland did manage to have a study funded and conducted. That study showed the Aleutian ferry might be the only self-supporting ferry in the state. Yet, the administration and the Legislature keep putting it off.

The TUSTUMENA is old and ships, like people, can only last so long. Seventeen cracks were discovered in her hull two years ago, and she was pulled out of service early — in October for repair because she couldn't withstand the stress of winter storms.

We were left only with air service to the mainland.

The TUSTUMENA definitely needs a back up vessel. A ferry serving the rapidly growing Aleutian Chain could also service our island villages.

The need is obvious. We hope the Legislature and the governor will not continue to ignore Kodiak and the Aleutians in this regard.

LETTERS:

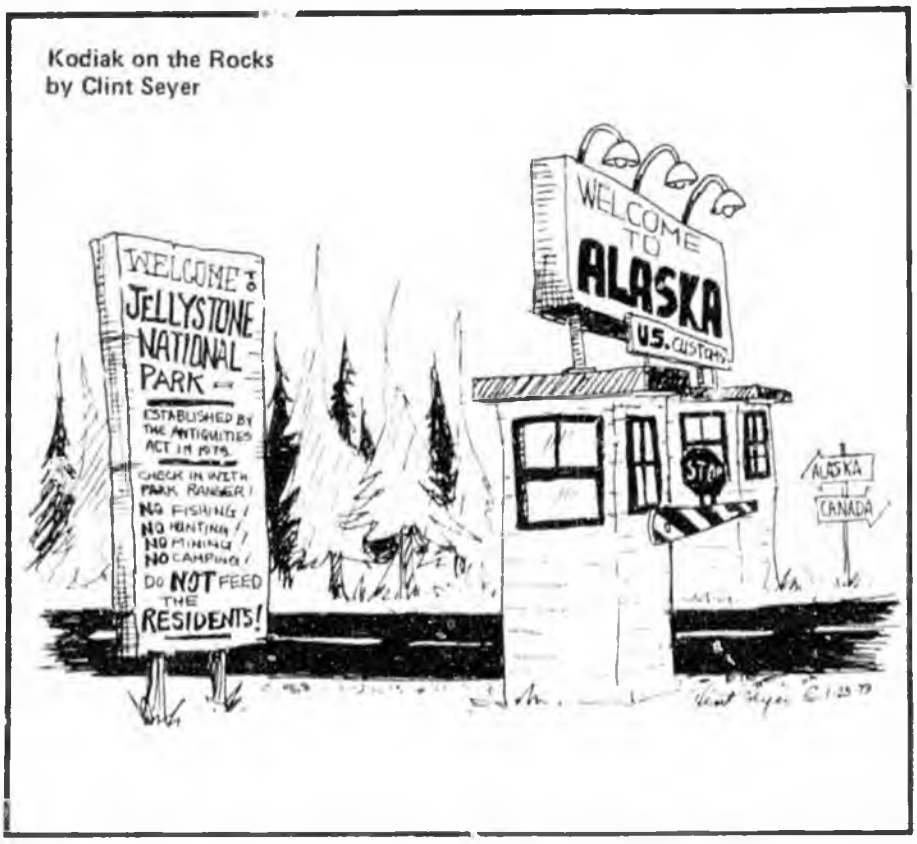
Borough role on land claims?

Dear Editor:

Certain facts are incontestable. The first is, human nature being what it is, that given an inch, most people would try to take a foot. The second is that we have already witnessed an attempt by one Native group to claim lands not rightfully theirs which was caught by the courts. The third is that there are very substantial doubts raised in the suit by the Citizens Action Group that there are lands claimed by the Kodiak Natives

(Continued on Page 5)

Kodiak on the Rocks
by Clint Seyer



Kay Poland sees solutions to Kodiak's dismal voting record, worst in Alaska

by KENT BRANDLI
Editor

Out of 4,159 persons registered to vote here in last August's primary election, only 1,370 voted, giving Kodiak the dubious distinction of having the worst voter turnout in Alaska.

Only 32.9 percent of those eligible here voted, says former State Senator Kay Poland. "It really makes it tough for representatives in Juneau to carry a heavy clout with such a poor showing," she adds.

In other fishing communities, where fishermen are out at sea on election day as they are in Kodiak, the turnout was much better. For example, in Seward and Cordova, 45.1 percent of those eligible voted.

"I've been harping on this for years, but it doesn't seem to do any good. Just the same faithfuls vote," according to Mrs. Poland.

She produces statistics to back up her argument, and proposes solutions.

"Sometimes it takes a real effort to vote. Such is the case with the fishermen. It takes some effort to vote absentee."



Sketch by Kay Linscheid

KAY POLAND

She also blames the state's election procedures, and the handling of voter registrations locally. "When the change was made from the court's handling absentees to the borough clerk handling it, there should have been ads in the newspapers, and on television and radio explaining the switch. This wasn't done in time."

Mrs. Poland says she personally voted absentee and had to "find out by traipsing all around." Within her own family "two of my kids who always voted were challenged. There is really something fouled up there."

Mrs. Poland did not seek re-election to the State Senate last year. Instead she ran unsuccessfully for Lt. governor with Tom Kelly as an Independent.

There is need for some correction, Mrs. Poland says. "There's apparently got to be an overhaul and it's got to start with proper training of the registrars. Also, I believe there's got to be some kind of a numerical check on voter registration forms," the former senator says. "The registrar should have to account for every form used or unused — voided or not." Mrs. Poland feels this

(Continued on Page 5)

KADIAK TIMES

Alan and Ginny Austerman ..... publishers
Kent Brandley ..... assistant publisher & executive editor
Dennis Johnson ..... city editor
Nell Waage ..... fisheries editor
Jan Brocci ..... advertising director
Clint Seyer ..... cartoonist/printer
Kay Linscheid ..... graphics artist
Kathleen McNeeley ..... layout
Lynne Campbell ..... darkroom & layout
Cherie Mon ay ..... typesetting

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POOR VOTE

(Continued from Page 4)

should be done on a weekly basis.

She calls voter disinterest in Kodiak "a state of mind." But, also, "We've got to be sure that the absentee voter is well-informed as to where and when they can vote absentee. This is very important for Kodiak due to our large number of fishermen at sea."

Kodiak has state's worst voter turnout

District	Key Town	% eligible voters
1	Ketchikan	49.4
2	Wrangell/ Petersburg	48.6
3	Sitka	46.7
4	Juneau	56.6
5	Seward/ Cordova	45.1
6	Palmer/ Wasilla	56.7
7	Anchorage/ downtown	39.7
8	Anchorage	43.3
9	Anchorage/ Spenard	37.0
10	Anchorage	57.1
11	Anchorage	39.2
12	Anchorage	55.4
13	Kenai/ Homer	56.6
14	Kodiak	32.9
15	Aleutians	39.5
16	Dillingham	52.8
17	Bethel	46.7
18	Galena,etc.	49.4
19	Delta/ Nenana	49.7
20	Fairbanks	44.5
21	Kotzebue	46.0
22	Nome	57.8

P.O. Box 232
Kodiak, Alaska 99615
11 February 1979

Members Of The Community & Regional Affairs Committee
Senator Arliss Sturgulewski, Chairman
Pouch V
Juneau, Alaska 99801

Dear Ms. Sturgulewski:

Thank you for bringing your committee to Kodiak and reflecting a real caring attitude in your chairing of same. I feel Kodiak's residents owe you a vote of thanks for your very personal but very professional expertise in conducting a fine meeting. Your personality reflected a oneness with the people, the pros and the cons which I likened as the Apostle Paul, a great teacher who said - "I became as they were to better serve them".

I feel your district was so wise in electing you to your high office. Again, thank you.

I could and should have asked for time to answer some of the misinformed statements that surfaced near the end of the meeting. Being one of the Annexation Committeemen who worked in depth with the City on their proposals seeking the best conditions possible for the three areas up for annexation, if and when annexation was a reality. Several of the speakers spoke out of ignorance of several facts, as at no time did any of them avail themselves to or with the Annexation Committee or the City to offer input as to what they desired or what changes they would like in the City Proposals. In as brief a manner as possible, I wish to recap a few high points of some of the main spokesmen's for the opposition and maybe a few of the points will be reflected.

First, in Mayor Wallin's presentation, she highlighted the fact that she felt Unification was the answer, and not Annexation, and that if Annexation did become a reality, it would hinder the cause of Unification ever being brought about. I say the Mayor is in no way sincere in her contention. I also say the Mayor is striving to defeat any cause that will bring about any change whatsoever in the power struggle that is going on now in this small community. Even though she realizes the pressing needs of all the services indicated will continue to forestall any change . One example why I say this; when the meeting of the Boundary Commission held its last meeting in Kodiak, the Mayor's plea ws do not force us into the City we will Unify which is more desirable and an answer to all our problems.

In our last election, the Mayor nor her supporters put no effort whatsoever in trying to bring about Unification. If she had truly desired Unification and had expended only half as much energy and money that her Anti Annexation Committee has spent to defeat Annexation, I'm sure a Charter Commission could have been elected. It was defeated in the last election. Also the proposition for granting the Borough service districts power for sewer, water and other services.

You can see from this that the Anti Annexation force is actually fighting any change. Several of the Anti witnesses complained of having to change life styles; also giving this reason for living in the Borough, when in truth most of us live outside the City limits because this was the only place to buy land and at a price we could afford. The life style in the City of Kodiak is no different than outside the City limits.

The other main contention was their vote had been taken away. If you will reference the recent press release by Kay Poland, our former Senator, you will gather that Kodiakans do not exercise this great previlege even when its offered and only harp on it if they feel that it serves their purpose.

Out of 4,159 persons registered to vote here in last August's primary election, only 1,370 or 32 percent cared enough to vote. I would say this belies their contention that they cherish their right to vote. What do you say?

In the beginning of all of this, none of the opposition availed themselves to workshop meetings on the proposals by the City so therefore most of their complaints on what could be expected from the City if Annexation becomes a reality were erroneous. Most of the points of contention can be found in my pack of letters to the Editor that you have in hand.

One other correction on Mrs. Pat Szabo's testimony; the City does have a viable plan for Zone 3, in the 35 percent mill rate area. The City will install government-approved septic systems under an assessment district as sewer is done in other areas, 10 year pay plan.

An explanation of the City's refusal to hook up Lorna Arndt's water in the Island L[illegible] area, it is because of advice of Council because of the present litigation between the City and the Borough concerning the legality of service district of the City and/or the Borough.

One other Spruce Cape witness against Annexation Mr. T. T. Jackson. Mr. Jackson has over 100 mobile homes on a private sewer system that he charges sewercharges to all tenants. This sewer is drained into the bay with no treatment whatsoever. The four houses I spoke of in my presentation before the Committee was in reference to Mr. Jackson. This raw sewerage dumps into the Mission Lake where children play on rafts in summer and skate in winter. These are just a few of the terribe health hazards in my district. Island Lake is much worse. We will never realize these pressing needs if we wait on a service district by the Borough.

Just a passing reflection on the reported 500 signatures from the three proposed areas that object to Annexation. After conducting a telephone survey in the three areas, convinces me that it's a misleading fact that if it should be challenged it would not stand up at all. We have 268 phones in the three areas and in our survey, we found the yes and no about equal.

At the meeting the 500 was noticeably absent, the bottom line of all, is still the vocal 15 or 20.

Also, the survey cards that were presented to our Representative Fred Zharoff, should in no way be considered by your committee as I'm sure you will realize such a mailing could be rigged to reflect any desired result. Where the survey required no signature only an X - why couldn't the surveyor mark and mail as many no's as he chooses before giving the balance for distribution to boxholders? The act was so ill thought out and so obvious that I feel silly for feeling I need to point this fact out to the committee.

I have a long track record of fighting causes for Kodiak but I pride myself in truth and fairplay in all fights, lose, win or draw. I ask that your Committee consider the urgent need in your deliberations.

I find to stand up for right is not always popular but very rewarding.

Respectfully,

Robert Brooks

BOB BROOKS

cc:
Bob Mulcahy, Vice-Chairman
Fred Zharoff, Representative

Lorna-Lee ARNDT a Member of the Island Lake Sewer & Yachting Club, speaking for a group of ?.

I have 12 lots on the front side of Island Lake and my son has 13 lots and my daughter has 1 lot all in this area in U.S. Survey 3219 which you toured today.

We believe in the "Freedom to Vote" on Issues and not pushed into something we do not want.

I am one who was recently DENIED a water hook-up by the City of Kodiak and their Attorney on one of my lots where there is a City Water line on the lot. We were FORCED onto City Water in this whole area, because of the City's mistake, and did not know our private water systems were cut off until after they hooked us onto the City Water.

What will we do with our Goats; Cows; chickens; ducks; Geese; Rabbits, and Horses if this should become City as the City does not allow these animals?

We all moved where we are cause we do not like to live in the City and our Children have more to do, and never become bored; or even care to go in town or later in town.

One person in the family either goes to town once a day to get the mail and if one works that person picks it up on the way home from work. And maybe twice a week to get food as we hate going to the City. We purchase all clothes and household items from Catalogs or make one Airplane trip out a year to do our buying as it is much cheaper elsewhere. So you see we have no other reasons to want to leave our homes to go into the City, and we wish to keep all our properties in the Borough Government.

Feb. 12, 1979
Box 1635
Kodiak, Ak. 99615

Arliss Sturgelewski
Honorable Chairman Senate
Community & Regional Affairs Committee

Dear Arliss:

Facts about the people who testified at the hearing in Kodiak on Sat. Feb. 10, 1979 and who live in the proposed FORCED Annexation Area.

Dr. Bob Johnson who has a $500,000.00 or $600,000.00 Clinic in the City is my friend and my wife's and my physician and my wife requires special medication, and I quite frequently called Dr. Bob for this reason. I also called his wife frequently in regards to matters that we are both interested in.

Mr. Tom Sweeney has been living in the Borough for 5 or 6 years, and there is city water next door to him and across the street from him and those people are in the City and he could join the City at any time as it would not be spot zoning cause the neighbors are already in the City.

Mr. Bob Brooks who owns Brooks Tool Rental and Budget Rent-A-Car and has considerable realistate in the City says he has been there 17 years; and if he were in the City with his businesses he would not have to pay personnal property tax on his equipment or cars and his only reason to be in the City is he would gain financely. In all the time he has been here I don't know of anything he has ever done to make it a better Community in which to live. Several Years ago a bonding issue came up for a new school, and Mr. Brooks spent considerable money to defeat the Bond Issue. Mr. Bob Greene who was our Supt. of schools and who now works under Dr. Lind with the Education of Schools in Juneau, solicited my support for this Bond Issue. I wrote a letter to the Editor of our newspaper and then I wrote to all the Villages on Kodiak Island and zeroxed and sent sufficient copies for everyone at my own expense.

Mr. Emil Norton who was appointed by the City Manager to the Proposed Annexation Committee has stated that he did not need or want any services from anyone, and he took it to court to avoid being in the Service District. He appealed to the Borough Assembly for consideration and did not receive it, and for that reason he is Disruntled with the Borough Government.

Kodiak is in a recession due to the decline of Shrimp and King Crab catches in the last 3 or 4 years.

A year ago people were putting ads in the paper wanting a place to rent and now there are 8 to 20 For Rent ads in the newspaper each night, and there also are signs on houses either For Rent or For Sale all over Kodiak. There is every indication that Kodiak will decrease in Population and Not Increase in Population. The present Population does not exceed 4500 people.

Respectfully yours,

Okey L. Chandler

Okey L. Chandler

FROM ST. FIG

Table 14. Historic commercial shrimp catch and effort for the Kodiak district of Westward statistical area J, 1960 through 1977.

CALENDAR YEAR	FISHING YEAR	NO. VESSELS[4]	NO. LANDINGS	COMMERCIAL HARVEST POUNDS	COMMERCIAL HARVEST METRIC TONS
1960		11	94	3,197,985	1,450.6
1961		12	203	11,083,500	5,027.4
1962		11	204	12,654,027	5,739.8
1963		--	--	10,118,472	4,589.7
1964		6	--	4,339,114	1,968.2
1965		11	320	13,823,061	6,270.1
1966		17	551	24,097,141	10,930.4
1967		23	--	38,267,856	17,358.2
1968		16	--	34,468,713	15,634.9
1969		26	935	41,353,461	18,757.8
1970		18	1,024	62,181,204	28,205.2
1971[1]		49	1,746	82,153,724	37,264.7
1972[2]		63	1,398	58,252,319	26,468.4
1973		50	1,283	70,511,477	31,983.8
	1973-74[3]	63	1,029	56,203,992	25,494.0
	1974-75	75	1,100	58,235,982	26,418.2
	1975-76	58	844	49,086,591	22,265.5
	1976-77	62	762	46,712,083	21,188.5
	1977-78	58	653	26,409,366	11,979.2
	1978-79 (TO JAN 28)			19,700,000	
TOTAL				703,250,068	318,992.1
AVERAGE	(fishing year)	63	878	47,329,603	21,468.6

[1]First egg hatch closures announced for a portion of the Kodiak district shrimp fishery during March and April, 1971.
[2]First year quotas established.
[3]Beginning in the 1973-74 fishing season, a complete egg hatch closure for the entire fishing district was in effect during March and April. Fishing year began May 1, and continued through February 28.
[4]Represents beam trawl and single and double otter trawl.

Table 4. Historic commercial king crab catch and effort for the Kodiak registration area K, 1960-61 through 1977-78 fishing seasons.

Fishing[1] Year	No.[4] Vessels	Commercial Catch Pounds	Commercial Catch Metric Tons	No. Ldgs.	Avg. Catch per Landing Pounds	Avg. Catch per Landing Metric Tons	No. Pot[6] Lifts	Avg. Crab[7] per Pot
1960-61	143	21,064,871	9,554.96	-	-	-	-	-
1961-62	148	28,962,900	13,137.48	-	-	-	-	-
1962-63	195	37,626,703	17,067.36	-	-	-	-	-
1963-64	181	37,716,223	17,107.97	-	-	-	-	-
1964-65	189	41,596,518	18,868.06	-	-	-	95,951	66
1965-66	175	94,431,026	42,833.63	-	-	-	173,083	66
1966-67[2]	213	73,817,779	33,483.52	-	-	-	223,174	36
1967-68	227	43,448,492	19,708.11	3,847	11,294	5.12	207,392	26
1968-69	178	18,211,485	8,260.68	1,839	9,902	4.49	119,146	20
1969-70[3]	136	12,200,571	5,534.14	978	12,475	5.66	96,841	21
1970-71	100	11,719,970	5,316.14	830	14,120	6.40	119,192	19
1971-72	89	10,884,152	4,937.02	507	21,467	9.74	66,166	29
1972-73	88	15,479,916	7,021.64	683	22,664	10.28	70,806	41
1973-74	129	14,397,287	6,530.57	837	17,201	7.80	77,826	32
1974-75	158	23,582,720[5]	10,697.05	1,195	19,734	8.95	110,297	30
1975-76	169	24,061,651	10,914.29	1,569	19,478	8.84	113,795	26
1976-77	195	17,966,846	8,149.71	1,165	15,422	7.00	130,777	17
1977-78	179	13,503,666	6,125.22	1,186	11,386	5.16	145,867	11
1978-79	194	12,020,056		1076			127,286	9.4
TOTAL	1107[8]	540,672,776	245,247.56	14,636	-	-	1,750,313	-
AVERAGE	139[8]	30,037,376	13,624.86	1,331	14,037[9]	6.37	125,022	32

[1]Fishing year defined as May 1 - April 30.
[2]July 1 - April 30 season established.
[3]August 15 - January 15 established.
[4]Number of vessels shown are those actually registered through 1969-70 season. Number of vessels fishing is shown from 1970-71 season.
[5]Seasonal harvest includes 551,348 pounds of deadloss documented, but not reflected in computer storage.
[6]Total pot lifts computed from logbooks through 1968-69 fishing season. Computed from edited fish ticket computer runs.
[7]No[illegible]ard[illegible]zed [illegible] sor[illegible]

KODIAK
ANNEX.
TRAVELING
FILE

KODIAK ISLAND BOROUGH

P.O. Box 1246
Kodiak, Alaska 99615

Second Class Borough

Phone: (907) 486-5736

INCORPORATION DATE: September 24, 1963
POPULATION: 8,926
REGULAR ELECTION: First Tuesday of October
SALES TAX: None
ASSEMBLY MEETS: First Thursday of each month

MAYOR: Betty Wallin 1979

ASSEMBLY MEMBERS	
Dr. Michael Emmick	1979
Edward Jack	1980
Sandra Kavanaugh	1979
Arnold Hansen	1981
James Peotter	1980
William Fearn	1981
Danforth Ogg	1981

PLANNING AND ZONING COMMISSION	
Ron Ball	1979
Dan Busch	1979
John Pugh	1979
Gene Erwin	1980
Tom Perez	1980

SCHOOL BOARD	
Stan Baltzo	1980
David Crowe	1979
Joan Johnson	1979
Louise Collins	1981
Jim Olson	1981
Fran Flick (non voting rep)	

BOROUGH POWERS

Areawide: Education, health, planning and zoning, assessment and taxation. Non-areawide: Fire districts (2), parks and recreation.

Service areas: Road maintenance.

MANAGER.....Stuart Denslow
CLERK/TREASURER.....Shirley "Mickie" Miller
HEALTH OFFICER.....Harry Brighton
PLANNING DIRECTOR.....Harry Milligan
SUPERINTENDENT OF SCHOOLS.....John Anttonen
ATTORNEY.....Richard Garnett
ASSESSOR.....Edwin Haney
ADMINISTRATIVE ASSISTANT.....Marilyn McKinnon
BUILDING OFFICIAL.....Bryce Gordon
ENGINEER.....Robert Marmaduke III
HOSPITAL ADMINISTRATOR..... .....Robert Groff

****

KODIAK

P.O. Box 1397
Kodiak, Alaska 99615

Home Rule City

Phone: (907) 486-3224

INCORPORATION DATE:	September 11, 1940
POPULATION:	4,960
REGULAR ELECTION:	First Tuesday in October
SALES TAX:	3%
CITY COUNCIL MEETS:	Second and fourth Thursdays of each month

MAYOR: Gary Stevens 1979

CITY COUNCIL MEMBERS	
Toni Eaton	1979
Gaynell Hatcher	1980
Carol Lechner	1979
Ernie Mills	1981
Wilton White	1981
Dave Woodruff	1980

MUNICIPALLY OWNED UTILITIES
Water
Dock
Sewer
Ferry Terminal
Boat Harbor

CLERK	Libby Presnall
FINANCE DIRECTOR	Harry Hyde
MANAGER	Clair Harmony
CHIEF OF POLICE	Jack Rhines
FIRE CHIEF	George Magnusen
HEALTH OFFICER	State Sanitarian
EMERGENCY PREPAREDNESS DIRECTOR	Clair Harmony
PORT DIRECTOR	George Cutrell
HARBORMASTER	George McCorkle
ENGINEER	John Stafford
WATER & SEWER SUPERINTENDENT	Herman Beukers
PARKS & RECREATION DIRECTOR	Ian Fulp
PURCHASING AGENT	Carolyn Thomas
LIBRARIAN	Elizabeth Carroll
BUILDING INSPECTOR	Morris Lee
ATTORNEY	Cole, Hartig, Rhodes, Norman and Mahoney

LOCAL BOUNDARY COMMISSION MEMBERS

Mrs. Sheila Gallagher (Chairman)
3201 "C" Street, Suite 201
Anchorage, Alaska 99503 Phone: 276-7612 (business)

Mrs. Josephine Anderson (Member)
P.O. Box 351
Wrangell, Alaska 99929 Phone: 874-3590 (home)
874-3621 (business)

Mr. Charles B. Bettisworth (Member)
P.O. Box 80283
Fairbanks, Alaska 99701 Phone: 479-3517 (home)
456-5780 (business)

Mr. Edward Hopson (Member)
Box 143
Barrow, Alaska 99723 Phone: 852-5141 (home)
852-6930 or 852-6970 (business)

Mr. Sigvald Strandberg (Member)
7235 Blackberry Street
Anchorage, Alaska 99502 Phone: 276-4555 (business)
243-1772 (home)

2/1/79

Ms. Kimberly Steven and
Mr. Randolph Davela
P.O. Box 3166
Kodiak, Alaska 99615

Mr. Norman D. Wooten
P.O. Box 3016
Kodiak, Alaska 99615

Mr. and Mrs. D. Pistorese
P.O. Box 37
Kodiak, Alaska 99615

Mr. and Mrs. Steven Olsen
P.O. Box 1574
Kodiak, Alaska 99615

Ms. Melissa Newton
P.O. Box 773
Kodiak, Alaska 99615

Mr. Ron Matsuoka
P.O. Box 2078
Kodiak, Alaska 99615

Mr. John Morton
P.O. Box 44
Kodiak, Alaska 99615

Ms. Sandy Kavanaugh
212 Birch
Kodiak, Alaska 99615

Ms. Lorna-Lee Arndt
P.O. Box 2069
Kodiak, Alaska 99615

Mr. Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

Ms. Margaret D. Duros
P.O. Box 867
Kodiak, Alaska 99615

Ms. Jo Hajdu
P.O. Box 627
Kodiak, Alaska 99615

Mr. and Mrs. Louie Horn
Box 15
Spruce Cape Road
Kodiak, Alaska 99615

Mr. Dick Juelson, Chairman
Borough Residents for Autonomy
P.O. Box 286
Kodiak, Alaska 99615

Mrs. June Juelson
P.O. Box 286
Kodiak, Alaska 99615

MR. Bob Brooke 2/5/79
P.O Box 232
Kodiak, Alaska 99615

MS. JANet Wente "
P.O. Box 2791
Kodiak, Alaska 99615

MR. B.E. NACHTWEIH "
P.O. Box 1247
Kodiak, Alaska 99615

Kodiak

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

02004 NL TDA KODIAK AK 50 2-13 1145P AST

1979 FEB 14 AM 3 21

PMS SEN STURGULEWSKI

JUN

PROGRESS WILL OCCUR AT ITS OWN PACE. IT DOESNT NEED TO BE PUSHED. PLEASE JUSTIFY OUR BELIEF THAT ALASKANS STILL HAVE THE RIGHT TO DECIDE THEIR OWN FUTURE BY VOTING TO REVERSE THE BOUNDRY COMMISSIONS DECISION.

WE ENJOYED HAVING YOU HERE FOR THE HEARING.

DICK AND JUNE JUELSON

BOX 286

KODIAK AK 99615(

JOAN M. KATZ
Attorney at Law
540 L Street, Suite 101, Anchorage, Alaska 99501
(907) 274-7634

January 23, 1979

Senator Arliss Sturgulewski, Chairperson
Community and Regional Affairs
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Arliss:

It was good talking to you today. Enclosed, as per our discussion, are copies of the two briefs I have submitted at various stages in this controversy. Please feel free to call me with any questions you may have or any additional areas regarding which you may need further input. I have also contacted Hayden Green at the University and he assures me that he and P. J. Hill, who prepared the economic analysis submitted to the Local Boundary Commission and included in the information being sent to you, will also be available to answer any questions you might have.

I appreciate your intention to have our staff keep me informed as to developments regarding Kodiak. I look forward to working with you on this matter.

Sincerely,

Joan

Joan M. Katz

vs

encl.

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

RESPONDENT'S BRIEF

I. Introduction

On October 19, 1977, the City of Kodiak submitted a petition for annexation of certain property located along Mill Bay Road in the Kodiak Island Borough to the Department of Community and Regional Affairs. While deficient in several respects (the most glaring of which was the absence of a resolution or ordinance authorizing the City to seek annexation), the petition was accepted by the Department. The City's case, as revealed in its brief, appears to rest on two principal grounds: first, that residents and property owners of the territory are deriving benefits from the City, such that they should be made to pay a commensurate share of the City's tax burden; and second, that the City could provide services to the territory more efficiently under annexation than could otherwise be accomplished. Intruding onto the specifics of this annexation proposal is petitioner's avowed intent to annex substantial other areas of Kodiak Island. See, Memorandum from Ivan L. Widom, City Manager, to the Local Boundary Commission, dated October 17, 1977.

Contrary to the City's allegations, it is the Borough's position that the best interests of the residents and property owners of the affected territory, and of the local governments involved, would not be served by this proposed annexation. As the Borough shall demonstrate, residents and owners of the territory would gain virtually nothing besides a hefty increase in their local taxes should this petition be successful -- an increase for services for which they presently pay more than adequately. The change in status would only serve to foster conflict, moreover, between the City of Kodiak and the Borough, and between the City and affected residents.

II. Lot Ownership and Configuration Within the Territory

At the outset, some factual clarification is required. In addition to the deficiencies in the petition mentioned above, there appear to be errors contained in the notice of hearing and attached lot descriptions provided by the Local Boundary Commission staff. First, Lots 3, 4, 5, 6, 7, 9 and 11 are identified as belonging to the City of Kodiak. Borough research indicates that those lots are currently patented by the State (patent number 50-64-0228 for lots 3-7, and 50-64-0169 for lots 9 and 11). The Borough, moreover, has filed land selections on these lots pursuant to AS 29.18.190, et seq. (Excerpt from Land Selections filed by Dale Tubbs for the K.I.B., Exhibit A.) The Borough, thus, possesses a specific interest in these particular lots, augmenting its underlying concern for the welfare of its residents in general.

In addition to this error, there appears to be an oversight in regard to Lot 27. This lot has not previously been annexed; nor is it included in the petition. It is

certainly possible that the City intentionally deleted this lot, perhaps because of known owner opposition to annexation. Such exclusion, however, would result in a continuation of the alleged misalignment of City boundaries. Since this "misalignment" is one of the grounds advanced by petitioner in support of annexation, the absence of Lot 27 is, at best, confusing. It suggests that this annexation proposal may not have been thoroughly analyzed from a thoughtful, planning perspective.

III. Standards for Annexation

Alaska Administrative Code Section 19.AAC 05.010 sets forth specific standards which provide guidelines for annexation. It is recognized that two of these standards ([1] and [3]) are met by this petition. The City raises no issues under Standards (2), (5), (6) and (9). These standards could not, in fact, be met in this case. Petitioner's case rests primarily on the purported fulfillment of Standards (4), (7) and (8). The Borough contends that there is not, in fact, compliance with these standards.

A. There is No Need in the Territory for Municipal Services that Could Not be Provided as Efficiently Without Annexation. (Standard No. 4.)

The City asserts that it can provide various services more effectively under annexation than would otherwise be possible. The City's history, however, and the facts regarding each of those services, suggest differently:

1. Sewer and Water. The City argues that sewer and water services would be extended immediately upon annexation. In fact, under a 1970 agreement between the Borough and the City, the City has long since been designated the agency responsible for implementation of water and sewer projects within the area of the road system in the Kodiak

failure to live up to the terms of this agreement accounts for the fact that services have not previously been extended to the lots within this territory. The City's track record is not one to inspire confidence.

2. Law Enforcement. The City simply describes its police force by numbers of officers and size of budget. The only argument made in this context, however, is that "Due to the nature of the boundaries in this area, certain problems can arise". (Petitioner's Brief, p. 1.) The Borough cannot envision what those problems might be. City police may certainly traverse City boundaries to get from one part of the City to another without violating any laws or ordinances. The only response possible to this broad statement is that the State Troopers provide police service to the territory. Residents and property owners have voiced no complaints about the level of service.

3. Fire Protection. The City's analysis of fire protection is, like its presentation of law enforcement, simply a descriptive one. What should be said is that there would be absolutely no change in fire protection provided the residents and property owners of the territory were the annexation to take place. Borough Fire District No. 1 presently covers this territory and is serviced through contract with the City; the contract provides fair consideration. (Exhibit C.) It might be noted, moreover, that the Borough owns one of the fire trucks utilized by the City, as well as a new ambulance similarly operated by the City and used inside and outside its boundaries.

4. Parks and Recreation. The City outlines its services in the parks and recreation area, and alleges a budget of $128,946 for this department. Apparently the intention is to suggest that Borough residents outside the

City are getting "something for nothing". In fact, the City is able to operate the pool and the gym only because the Borough has made them available. The pool and gym collectively are worth approximately $3,220,000, substantially more than the City's budgeted amount for this service. (Memorandum from Borough Assessor, Ed Haney, December 6, 1977; Exhibit D.) The joint agreement between the Borough, its School District and the City, further delineates the benefits accruing to the City through the use of these facilities. (Joint Agreement for the Use and Operation of Gymnasiums and Swimming Pool, Exhibit E.)

In addition, the Borough adopted parks and recreation powers within the last year, and has contracted for a major parks and recreation study to be completed by April of next year. City residents will undoubtedly benefit from the exercise by the Borough of its parks and recreation power.

5. Library. In describing its library with attached budgetary figures, the City again fails to make any case showing that Borough residents are taking unfair advantage. Petitioner acknowledges the Borough contribution of $15,000 to the library financing. There is no showing that this contribution is grossly disproportionate to the use by non-city residents of the library facilities. And there is also no mention of the fact that the Borough operates four libraries of its own which make interlibrary loans to the City library.

6. Cemetery. The City simply states that the cemetery, with its paid contractural employee, is available to Borough residents. There is no indication of how much this employee is paid; he may in fact be part-time. And there is no mention of the fact that the City acquired

the land for the cemetery in 1968 from the Borough for the price of $1.00. (Minutes of K.I.B. Assembly Meeting, 2/15/68, Exhibit F.) At the time, that land was worth approximately $29,600. At present, its estimated value is $300,000. (Memorandum from Ed Haney, Borough Assessor, to Stu Denslow, Borough Manager, Exhibit G.) Borough residents have more than paid their way into their ultimate resting places. Again, the level of service for the territory affected by this petition would not be increased through annexation.

7. Public Works Functions. The City's one-sentence remark in regard to public works provides little to which the Borough can helpfully respond. The fact that the Public Works Department provides street maintenance and snow removal is essentially irrelevant, since the primary road involved is Mill Bay Road, which is state maintained. Should the residents of the area decide that further local roads are necessary, they could finance them through road service districts, rather than taxing the general public for such neighborhood improvements. It might be noted, moreover, that private contractors are available to the Borough to provide competent road service, as is illustrated by the road service district in the Bells Flats-Russian Creek area. (Contract between the K.I.B. and Alagnak, Inc., Exhibit H.) House numbering, the other item mentioned in connection with public works, is a planning function and will be undertaken by the Borough as it proceeds with implementation of its comprehensive plan.

8. Cargo dock, boat harbor, ferry terminal and airport. The City alleges that these facilities are "to some extent" self-supporting, and then claims that general fund contributions have been made to maintain the facilities. Again, the City's lack of specificity renders the Borough's

attempt to be responsive difficult. Borough research uncovered only a $149,703 loan from the City's general fund to the cargo dock. (City of Kodiak, 1977/78 Budget, p. 46.) A loan hardly constitutes a "contribution". The City's presentation in this regard raises two additional questions. First, it is not at all clear that the municipal airport, as discussed further below, is an asset to Kodiak. The extreme hazardousness of this strip might merit its closure, rather than its support by taxpayers money. Second, it is not clear why general fund contributions should ever be used to make up deficits in the operating budgets of these enterprise activities. The people who use them should pay for them; those who do not use them, should not.

9. Garbage Collection. Residents of the territory would gain nothing new in the way of garbage collection should annexation take place. At present, they have the option of paying for garbage collection or transporting their own refuse to the dump. Under annexation, that option would be removed and they would pay for the service whether or not they wanted it. There has been no showing that such imposition is necessary.

A review of the above services indicates that the City has not demonstrated that it could improve the lot of territory residents through annexation. In fact, as described above, the residents and lot owners would gain virtually nothing to their advantage by way of annexation. As shown on the table below, however, these people would stand to lose a great deal. Best estimates reveal that, assuming the addition of sewer and water to all lots, the cost to lot owners should they remain outside the City limits would be 9.47 mills taxation plus $28.75 per month in water and sewer assessments; if the territory were annexed, the rate would

jump to a substantial 16.3 mills, with assessments in the neighborhood of $25.00 per month.

	City Resident	Borough Resident Outside City Limits
Borough Mill Rate	7.2	7.2
City Mill Rate	9.1	-0-
Fire Protection Mill Rate	-0-	2.27
Water	$10.00/mo.	$13.75/mo.
Sewer	$15.00	$15.00
Total	16.3 Mills $25.00/mo.	9.47 Mills $28.75/mo.

The City has simply failed to make a showing that such a rate increase is warranted or equitable for those affected.

B. Annexation Will Not Enable the City to Improve any Health or Safety Conditions in the Territory. (Standard No. 6.)

As noted previously, the City has not invoked this standard. It would be dismissed without comment were it not for the irony it brings to light. There is, in fact, a serious safety hazard located within the territory. That hazard is the municipal airport. Yet the City, which exercises complete control over this airport and even mentions it among the services provided to territory residents, has failed in its duty to alleviate the significant safety hazard that it poses. There is no reason to assume the City would perform more responsibly should other such problems arise.

C. It is Practical to Provide all Necessary Services to City Residents Without Bringing the Territory Within the City Boundaries. (Standard No. 7.)

Petitioner's brief includes broad statements to the effect that there is a "misalignment of boundaries [which] causes problems with enforcement of City ordinances and with providing certain services to those areas already annexed". That is the extent of petitioner's analysis. In light of joint Borough-City agreements covering water,

sewer, and fire, the Borough cannot envision any problems that might arise because of the existence of a few City lots within the territory. If the problems were significant, the City presumably would never have annexed those lots causing the present "misalignment".

D. The City is Receiving (or Should be Able to Devise Means of Receiving) Ample Reimbursement for the Services Provided Territory Residents and Lot Owners. (Standard No. 8.)

The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p. 2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

In addition to the direct payments identified above, all Borough residents outside the City fund the City's services and programs, whether or not they receive any benefits from them, through a three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses, whether the service is provided within or without the City. (City Ordinance 3.08.010 et seq.) Virtually all sales of goods and services on Kodiak Island take place within the City, so all residents

of the Island are sorely affected by this tax. Sales tax receipts, moreover, have been used to pay Borough personal property tax for City residents; owners of personal property within the City have not been required to make such payments out of their own pockets. (City Ordinance 3.04.010B.) Borough residents living outside the City boundaries have thus paid personal property tax twice; first their own, and then a substantial contribution to the payment of taxes for those persons who have personal property located within the City limits. Residents and lot owners in the territory have amply compensated the City for any benefits they might receive.

IV. Procedural Factors Against Annexation

Four intertwined procedural issues are raised by the manner in which this petition has proceeded to date. First, petitioner and the Local Boundary Commission seem determined to propel this matter forward with great speed, presumably because of the approaching start of the Legislative session. Such precipitous action, however, has resulted in failure by the Commission to follow its own guidelines, and has put great strains on the Borough and any other would-be respondent to prepare adequately for the upcoming hearing. Thus, the petition was apparently accepted notwithstanding the fact that no resolution from the City Council was attached (19 AAC 10.040[4]); the sources of information contained in the petition were presented only in a statement, not an affidavit (19 AAC 10.040[2]); and the petition was wrongly addressed to the Department rather than the Commission (19 AAC 10.070). In addition, the interest in reaching a quick determination in this case resulted in a refusal by the Staff Assistant to grant a few days postponement of the hearing. The Borough's attorney had requested such an

extension in order that a well-informed brief might be prepared and presented to the Commissioners sufficiently in advance of the hearing to enable them to receive the evidence with some foreknowledge of both sides of the case. (See, letter from Joan M. Katz to Pat Poland, Exhibit I.)

Second, as noted throughout the course of this brief, the City's presentation to the Local Boundary Commission consists primarily of broad allegations, without substantiating facts. Such material did not put the Borough in a sufficiently informed posture to respond adequately.

Third, the issue of annexation of the petitioned-for territory is clouded by the avowed intention of the City to extend its boundaries to still other areas. Mr. Poland has indicated to the Borough's attorney that the broader issues of annexation of large portions of the Kodiak Island Borough will in fact enter into the Commission's deliberations in the course of the hearing on the Mill Bay Road territory. Yet no petition has been filed on those other, very different areas; there is no way the Borough can prepare any response. Other interest groups, such as the Native population of Kodiak, may have strong feelings when confronted with the full scope of the proposed annexation. It would appear that any and all questions of annexation on the Island of Kodiak should await a proper petition adequately setting forth all the territory sought to be annexed with ample factual basis for the City's position. Absent such a rational approach, serious error might be committed as Commission deliberations are hurried forward without sufficient groundwork being laid. There is no emergency warranting such procedure.

Fourth, and finally, in connection with the intent to annex considerably more territory than is revealed in this petition, it would seem appropriate to handle this matter by

the step annexation procedure. Of critical concern to the Borough Assembly, staff and people they represent, is the fact that no opportunity has been afforded the people of this territory to vote on the issue of annexation. An election would give the Commission precise information regarding the people's views on this matter. It would also go far to reduce the anger and bewilderment experienced by Borough residents who view the non-elective process as an uncharacteristically undemocratic one for this State to be imposing upon them.

V. Conclusion

The only context in which the City's petition is comprehensible is that of a power play, a grab for land which the petitioner has no demonstrated ability to govern effectively. The evidence shows that the residents of the territory would gain nothing from annexation, but would stand to lose considerably from a financial standpoint. Abstract arguments supporting annexation are overshadowed by the reality of the cost-benefit ratio to those lot owners, by the fact that they do not support this petition, and by the realization that there is no equitable reason for increasing the City's tax base. Honest appraisal tells us that the City's track record for the delivery of services and for fair dealing with citizens on Kodiak Island is seriously deficient. There is no basis for granting the petition. There is sound basis for denying it. The Kodiak Island Borough respectfully requests that the Local Boundary Commission reject the City of Kodiak's petition for annexation.

DATED this 9th day of December, 1977.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

CERTIFICATE OF SERVICE BY MAIL

STATE OF ALASKA)
) ss.
THIRD DISTRICT)

THIS IS TO CERTIFY that on this 9th day of December, 1977, a true and correct copy of RESPONDENT'S BRIEF was served on:

City of Kodiak
P. O. Box 1397
Kodiak, Alaska 99615

by placing said copy in the U. S. Post Office, at Anchorage, Alaska, in a properly addressed, postpaid envelope.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

SUBSCRIBED AND SWORN to before me this ____ day of December, 1977.

Notary Public in and for Alaska
My Commission Expires: _____

M13-25
AOL 200122

KODIAK & VICINITY

State Patented Lands

T27S,R19W,SM			
Unclassified			
USS 3465			
Tract B		9.74	A
Lands Classified Reserved Use			
USS 3466			
Lot 11	Cl#315	1.08	A
USS 3098			
Lot 3	Cl#315	1.25	A
4	Cl#315	1.25	A
5	Cl#315	1.25	A
6	Cl#315	1.25	A
7	Cl#315	1.25	A
9	Cl#315	1.25	A
11	Cl#315	1.03	A
USS 3463			
Lot 1A	Cl#315	1.56	A
Unclassified			
USS 3099			
Lot 25		1.55	A
	Total	22.46	A

Excerpt from Land Selection Filed By Dale Tubbs
for the Kodiak Island Borough

EXHIBIT A

RECEIVED OCT 12 1977

D-J4LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

LAND AND WATER MANAGEMENT

SOUTHCENTRAL DISTRICT

3327 Fairbanks Street
Anchorage, Alaska 99503

October 4, 1977

Mr. Stuart Denslow
Borough Manager
Kodiak Island Borough
Box 1246
Kodiak, AK 99615

Dear Mr. Denslow:

This is to acknowledge receipt of Kodiak Island Borough's Municipal Selections, ADL 200122.

Further processing of the pending selections by the Southcentral District Office is not anticipated until completion of legislative action on House Bill 133 which addresses the municipal land selection problems in Title 29 of the Alaska Statutes. If, in the meantime, there are critical priority selections requiring immediate attention or questions regarding your selection status, we will be glad to respond to your needs.

Sincerely,

L. A. Dutton
District Manager

cc: Dale Tubbs
Moening-Grey and Associates

10/5

Dale— Sorry we didn't get these recorded promptly. When I gave your package of selection to Jack Wiles I evidently didn't make it clear to Jack that the selection applications were to go to Records—

There will be no filing fees this time as the fee has not been officially established.

Dutton

AGREEMENT

DESIGNATING THE CITY OF KODIAK AS THE AGENCY RESPONSIBLE FOR IMPLEMENTATION OF WATER AND SEWER PROJECTS ELIGIBLE FOR FEDERAL FUNDING

THIS AGREEMENT, made and entered into this 2nd day of July, 1970, by and between the CITY OF KODIAK, a municipal corporation, hereinafter referred to as "CITY" and KODIAK ISLAND BOROUGH, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as "BOROUGH",

W I T N E S S E T H :

WHEREAS, BOROUGH is a second class borough and as such has limited authority which does not include the power to provide water or sewer service and

WHEREAS, CITY is a first class city and as such has a Public Works Department and in connection therewith provides sewer and water service to the residents residing within the corporate limits of the CITY OF KODIAK and to some residences residing outside the corporate limits of the CITY OF KODIAK, and

WHEREAS, the parties hereto desire to make application for Federal aid on local sewer and water project and one of the parties hereto must be designated an agency responsible for implementation of such projects.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto mutually agree as follows:

1. CITY is hereby designated the agency responsible for implementation of any water or sewer projects within the area of the road system in the KODIAK ISLAND BOROUGH and is hereby authorized to make application for Federal aid in connection therewith.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officials on the day and year first above written.

CITY OF KODIAK

BY: Leonard A. Pomeroy

KODIAK ISLAND BOROUGH

BY:

EXHIBIT B

CONTRACT TO FURNISH FIRE PROTECTION SERVICE

THIS CONTRACT made this 2ND day of ~~May~~ July, 1970, by and between the CITY OF KODIAK, hereinafter referred to as "City" and the KODIAK ISLAND BOROUGH, hereinafter referred to as "Borough", both being municipal corporations organized under the laws of the State of Alaska.

W I T N E S S E T H

WHEREAS, City is an Alaskan municipal corporation, being a home-roll or charter city, and as such is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is an Alaskan municipal corporation of the second class and has under its powers formed a Fire Service District as provided by law and therefore is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is presently without adequate fire protection in its Fire Service District and desires to have the services of City's Fire Department and to pay for such services; and

WHEREAS, City is willing to furnish fire protection to Borough's Fire Protection District provided an adequate payment is made.

NOW, THEREFORE, City and Borough agree as follows:

SERVICES TO BE RENDERED

FIRST: Subject to the conditions and qualifications hereinafter recited, the City will furnish to Borough's Fire Protection District during the period of this Agreement, the services of City's Fire Department to the same extent as if the area encompassed within the boundaries of the Borough's Fire Protection District were a part of the incorporated area of the City.

EXHIBIT C

TERM OF AGREEMENT

SECOND: The term of this Agreement shall be continuous until terminated by mutual agreement of the Parties or by notice of intention to terminate given in writing not less than ninety (90) days before the intended date of termination when such notice is given and which notice may be given by either Party at any time hereafter.

PAYMENT

THIRD: Borough agrees to pay to City during the term of this Agreement an amount equal to the millage rate levied by City for fire protection service in the City, which amount shall be levied and collected on all properties within Borough's Fire Protection District at the same millage rate. City shall give to Borough, in writing, at the time it sets its millage rate, the millage levied for fire protection within the City and that same millage rate shall thereafter be applied to all properties within the Borough Fire Protection District for the ensuing year and this amount shall be paid to City.

CITY IS NOT RESPONSIBLE FOR CONDITION OF FACILITIES

FOURTH: City assumes no responsibility for the condition of the water mains, adequacy of fire hydrants, water pressure or of any of the facilities to be furnished by Borough's Fire Protection District except to render the best service possible under the conditions which exist at any given time.

RESPONSIBILITY OF FIRE CHIEF

FIFTH: In agreeing to give Borough's Fire Protection District the same type and quality of fire protection service as

that enjoyed by the City, it is understood by Borough that the ultimate decision and discretion as to the method and manner of controlling or extinguishing fires is vested in the Fire Chief of the City. Neither City or Borough shall be allowed any priority in dispatching of fire fighting equipment or personnel, but in any given case, the decision shall be in the discretion of the City's Fire Chief.

FIREMEN TO BE MADE PEACE OFFICERS

SIXTH: City does not agree to furnish any peace officers in connection with the response to any fires within the Borough Fire Protection District unless such powers are conferred upon firemen by the laws of the State of Alaska and in that event the powers and authorities shall be limited to that authority granted.

INSPECTION BY FIRE DEPARTMENT

SEVENTH: The Fire Department of City shall have the same right to make inspections of any and all structures and grounds within the Fire Protection District of Borough and to make appropriate recommendations thereon with the same force and effect as the Fire Department has within the City.

BOROUGH TO ABATE FIRE HAZARDS OR NUISANCES

EIGHTH: Borough agrees to take timely action to abate any fire hazard or nuisance when such is called to the attention of the Borough Chairman or Borough Assembly.

INDEMNITY OF FIRE DEPARTMENT

NINTH: Borough agrees that the Fire Department of the City shall have the same privileges and immunities with respect to liability as said Department has in the City.

ADJUSTMENT OR REVISIONS OF BOUNDARIES

TENTH: Borough agrees that if the present geographical boundaries of the Fire Protection District of Borough are reduced or enlarged or expanded, then and in such event City may either refuse to service such enlarged area or this Agreement shall be amended to provide an added consideration for the additional fire protection to be rendered by City or a reduction in the compensatio by reducing the amount thereof by subtracting the millage from thos properties withdrawn.

CITY IS INDEPENDENT CONTRACTOR

ELEVENTH: The management, regulation and control of City' Fire Department shall remain the sole obligation of City, and the relationship of City to Borough shall, upon this Agreement taking effect, be that of independent contractor.

IN WITNESS WHEREOF, the Parties hereto have executed these presents by resolution of their respective governing bodies,, duly authorizing the same.

CITY OF KODIAK

BY: _____
PETE RESCFF, Mayor

ATTEST: _____
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: _____
WILTON T. WHITE, Chairma

ATTEST: _____
ROBERT GRAFE
Borough Clerk

ADDENDUM

TO CONTRACT TO FURNISH FIRE SERVICE

Whereas the parties hereto have heretofore entered into an Agreement whereby CITY agreed to furnish to BOROUGH's Fire Protectic District, the services of CITY's Fire Department to the same extent as if the area encompassed within the boundaries of the BOROUGH's Fire Protection District were a part of the incorporated area of the CITY and

Whereas BOROUGH agreed to pay to CITY during the term of said Agreement, an amount equal to the millage rate levied by the CITY for fire protection service in the CITY but no provision was made, nor account taken of the Capital Improvements of the Fire Department to date or in the future,

Now therefore, the parties hereto agree that the BOROUGH will transfer, and the CITY will accept the equity of the BOROUGH in its fire truck and equipment as the BOROUGH's contribution to the Capital Improvements of the CITY's Fire Department to date, and to make further contributions to the Capital Improvements of the Fire Department through assessment and taxation at the same time and on the same basis as may be done by CITY in the future.

IN WITNESS WHEREOF, the parties hereto have executed these presents by resolution of their respective governing bodies, duly authorizing the same.

CITY OF KODIAK

BY: Rolland A. Jones
R. A. JONES, City Manager

ATTEST: Norma Holliday
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: W. T. White
WILTON T. WHITE, Chairman

ATTEST: Robert Grafe
ROBERT GRAFE
Borough Clerk

KODIAK ISLAND BOROUGH

DATE: December 6, 1977

FROM: Borough Assessor/ Ed Haney

TO: Whom It May Concern

At the time of construction in 1973 the cost of building the Kodiak High School gymnasium was One Million One Hundred Fifteer Thousand Dollars ($1,115,000). Reproduction today would be approximately One Million Six Hundred Seventy Thousand Dollars ($1,670,000).

The swimming pool complex in 1973 cost One Million Thirty Five Thousand Dollars ($1,035,000) to build and to reproduce it today would approximately cost One Million Five Hundred Fifty Thousand Dollars ($1,550,000).

Totaling the two (2) buildings together shows a cost to build in 1973 of Two Million One Hundred Fifty Thousand Dollars ($2,150,000).

The reproduction of the two (2) buildings together in 1977 would come to Three Million Two Hundred Twenty Thousand Dollars ($3,220,000).

EH/sv

cc

EXHIBIT D

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
POST OFFICE BOX 886
KODIAK, ALASKA 99615
(TELEPHONE (907) 486-3131)

JOINT AGREEMENT FOR THE USE & OPERATION OF GYMNASIUMS & SWIMMING POOL

This agreement entered into this 15th day of November 1977, by and between the KODIAK ISLAND BOROUGH, hereinafter referred to as the *BOROUGH*, the KODIAK ISLAND BOROUGH SCHOOL DISTRICT, hereinafter referred to as the *DISTRICT*, and the CITY OF KODIAK, hereinafter referred to as the *CITY*.

WITNESSETH:

WHEREAS, the *DISTRICT* has under its jurisdiction the operation and management of three gyms and one swimming pool within *CITY* boundaries, said gyms being the Kodiak High School gym, the Main School gym, and the East Elementary gym; and,

WHEREAS, the *BOROUGH* contributes to the *CITY* recreation program by making school facilities available to the City Parks & Recreation Department for public use; this they do in lieu of providing recreational funds to the *CITY*; and,

WHEREAS, the *DISTRICT* obligated itself before the election of February, 1972 to running the pool for the public; and,

WHEREAS, it is inconvenient and costly for the *DISTRICT* to run a public recreation program; and,

WHEREAS, said swimming pool and gymnasiums are physically convenient and capable of being used by the *CITY* and its program conducted

by the Parks & Recreation Department; and,

WHEREAS, maximum use can be made of said swimming pool and gymnasium facilities by the joint use thereof of the *DISTRICT* and the *CITY*, and it is in the best interests of the parties hereto and the public that such use be made thereof.

NOW THEREFORE, in consideration of the above premises and the undertaking and convenants of each of the parties as hereinafter set forth, it is agreed by and between the parties as follows:

1. TERMS:

This *AGREEMENT* shall be effective for a term of 7½ months, commencing on November 15, 1977, and ending on August 1, 1978. The *AGREEMENT* may be terminated by either party giving 30 days written notice.

2. USE OF POOL & GYMS:

The *DISTRICT* shall have the right of exclusive use of said swimming pool and gymnasiums upon regular school days, Monday through Friday of each week during each school year, from 7:30 AM to 5:00 PM of each of the said days, except that the *CITY* reserves the right to use the pool or gymnasiums for the public if they are not being used at that time by the *DISTRICT*. The *DISTRICT* shall also, in addition to the hours specified, have the right to use the pool and gymnasium facilities for school activities and athletic purposes, but the gymnasiums and pool shall not be used by the *DISTRICT* for any program designed, or by its nature competitive with the recreation program carried on by the *CITY*. However, the *DISTRICT*

may not retain the gyms or pool for the daily practices of their athletic teams beyond the hour of 7:30 PM.

3. FACILITIES:

The *DISTRICT* facilities which are the subject of this agreement include the pool, the gyms, the locker rooms, together with a limited amount of office storage space.

4. SCHEDULING OF FACILITIES

The *DISTRICT* shall have first priority in scheduling its activities. After the *DISTRICT* establishes its schedule, the *CITY* shall make up its recreation schedule. The *CITY* must provide the *DISTRICT* with at least one week advance notice prior to commencement or change of the *CITY* recreation time schedule. Once the *CITY* established their recreation schedule, the *DISTRICT* must give the City Parks & Recreation director at least one week advance notice before changing their *DISTRICT* schedule, and this schedule change must meet the approval of the City Parks & Recreation director and the School Superintendent. Use of *DISTRICT* facilities by groups outside the realm of the *CITY* or the *DISTRICT*, at times other than during regular school hours, will be scheduled by the *DISTRICT* Community School Coordinator with the approval of the *CITY* Parks & Recreation director.

5. DENIAL OF FACILITIES:

The *DISTRICT* reserves the right to deny the use of their facilities to groups which by their behavior may either do physical harm to the facilities or participants, or by their presence downgrade the moral

and ethical standards of the *DISTRICT*.

6. CITY OPERATIONS:

The *CITY*'s responsibility is restricted to public use of the gyms and the pool as well as daily maintenance of the pool. This means that the *CITY* will:

a. Hire, terminate, pay, and supervise all *CITY* recreation personnel.

b. Schedule all *CITY* recreation use programs and activities.

c. Do the pool vacuuming, filtration, chemical up-keep, and locker room clean-up.

d. Provide reimbursement to the *DISTRICT* for overtime custodial services incurred when *CITY* recreational activities last later than 10:30 PM, unless prior agreements are made for use of the facility past the alloted time.

e. Provide supervisory personnel for all *CITY* recreation activities and insure that *CITY* recreation participants have vacated *DISTRICT* facilities prior to the supervisor's conclusion of duties.

7. DISTRICT OBLIGATIONS:

The *DISTRICT* will at its sole cost and expense:

a. Provide heat, light, power, water, chemical supplies, and equipment necessary for both *DISTRICT* and *CITY* use.

b. The *DISTRICT* will continue to handle all major mechanical work and the annual pool overhaul.

c. Provide all necessary building maintenance for the gyms, pools, and supporting facilities.

d. Provide regular custodial services during the regular school year when facilities are vacated by *CITY* recreation participants and supervisors by 10:30 p. m.

8. FEES:

Since *CITY* expense for operating the pool must be met by gate receipts, all gate receipts collected by the *CITY* are to be the property of the *CITY*.

9. LIABILITY INSURANCE:

The *CITY* shall at all times maintain and keep in effect liability insurance covering its use of said facilities.

10. PROPERTY DAMAGE

The *DISTRICT* facilities or property thereon damaged or destroyed by reason of the negligence or acts of the *CITY* employees or persons using the *DISTRICT* facilities during the times that said facilities are subject to the exclusive use of the *CITY* shall be the responsibility of the *CITY*, and reimbursement for replacement or repair thereof shall be made by the *CITY* to the *DISTRICT*; provided, however, that nothing herein contained shall be construed to obligate the *CITY* to make repairs for damage which is due to ordinary wear and tear.

11. TERMS OF THIS AGREEMENT

The terms of the *AGREEMENT* may be renegotiated to meet the prerequisities of the Community Education Program.

CITY OF KODIAK

By _____
City Manager

ATTEST:

_____
City Clerk

KODIAK ISLAND BOROUGH

By _____
Borough Mayor

ATTEST:

_____
Borough Clerk

KODIAK ISLAND BOROUGH SCHOOL DSTRICT

By _____
School Board President

By _____
School Board Clerk

D. Resolution 68-5-R Setting Amount Owed by City for Payment on Personal Property Taxes. The resolution was read. Mrs. Hajdu inquired why the Borough was just now collecting these taxes from the City for 1967. Mr. Valkama explained that the City could make better use of these funds than the Borough, and so the delay was beneficial to them; and also that the City is just now collecting its 1967 sales tax, out of which this payment is made. Further, the Borough supplemental personal property roll has just been completed for 1967. Mrs. Springhill moved, seconded by Mr. Arndt, that the resolution be adopted. Mr. Burt and Mr. Bullock wished to review the tax returns before any action was taken. Mr. Valkama commented that if further reviews were made, it would probably turn out that the City would owe more money because in 1967 there were no teeth in the law requiring that people living inside the City file for their personal property. Motion carried by unanimous roll call vote.

E. Approval of Tax Adjustments Nos. R-67-38 and R-67-39. Both of these lots were taken by ASHA in 1966 and should have been in ASHA's name for 1967 instead of John Thevik's. Mrs. Springhill moved, seconded by Mr. Bullock, that adjustments No. R-67-38 and R-67-39 be approved. Motion carried by unanimous roll call vote.

F. Approval of November 15, 1968, as Delinquent Date for Second Half Payment of 1968 Taxes. It was explained that the ordinance sets November 1 as the delinquent date, but that enough tax bill forms are left from 1967 to use for 1968 if November 15 is again used as the delinquent date for second half payments of taxes. Mrs. Springhill moved, seconded by Mr. Arndt, that November 15, 1968, be approved as the delinquent date for second half payment of 1968 taxes. Motion carried by unanimous voice vote.

G. Conveyance of Cemetery in USS 3511 to City. Mr. Best stated that the cemetery is presently being arranged haphazardly, and suggested that it be conveyed to the City since they have the necessary staff to properly carry out proper arrangements. After discussion, Mrs. Springhill moved, seconded by Mr. Arndt, that the cemetery in USS 3511 be conveyed to the City for $1.00 with the provisions that it be properly laid out for roads and access and in accordance with the Subdivision Ordinance, insofar as practicable for a cemetery. Motion carried by unanimous roll call vote.

H. Dewitt Fields re Anton Larsen Road. Mr. Fields stated that he had been asked by Okey Chandler on behalf of the people of Anton Larsen Bay and Port Lions to meet with the Assembly concerning the restoration of this road, which is covered now at high tide for one mile. He stated that a petition concerning the road had been submitted to the Governor, and that the reply stated that $500,000 would be required to reroute the road. However, local contractors felt that the road could be sufficiently raised for only $25,000 to $30,000. Mrs. Hajdu suggested that the State be requested to use maintenance funds for this purpose, that they be informed that cost estimates for the job were less than $100,000, and that the road is needed by the families in the area and by the people from Port Lions and Ouzinkie who use it, after coming in by boat, as a means of getting to Kodiak. Mrs. Springhill moved, seconded by Mr. Bullock, that a resolution be drawn up by the attorney incorporating the ideas which were suggested in this discussion to take care of the problem of the Anton Larsen Bay Road. It was suggested that copies of the resolution be sent to the Governor and Kodiak's Representative and Senator. Motion carried by unanimous roll call vote.

X CHAIRMAN'S REPORT

A. Legislation of Interest. Mr. Best pointed out the following legislation of special interest:

HB 375
HB 376
HB 432 for school construction grants.
HB 463--appropriation bill for HB 432.
SB 175--providing for State to pay for defaults of local school bonds. This would help to give Alaska a better bond rating and may lower interest rates.
SB 293--3% education wage tax.

B. Building Inspector's Vehicle. Mr. Best suggested that since the City furnishes gas for the vehicle, the Borough furnish necessary repairs. The Assembly concurred.

EXHIBIT F

KODIAK ISLAND BOROUGH

M E M O R A N D U M

TO: Stu Denslow/Borough Manager

FROM: Ed Haney/Borough Assessor/Appraiser

SUBJ: Lot 1, Hospital Subdivision, USS 1822
Appraised Valuation

DATE: November 29, 1977

This lot (5.92 acres) was transferred from the Kodiak Island Borough to the City of Kodiak in 1968 to be used as a cemetary, recorded in Book of Deeds 21 at pages 92 and 93.

Comparable land in this area was selling for $5,000 per acre in 1968. As this is all high and well-drained land the 5.92 acres would have had a value of $29,600.00.

The 1978 value of this property were it put to it's best use (not a cemetary) would be $25,000 per acre or $148,000. If this land were subdivided into residential lots the market vlaue would total $300,000 This is possible because of adjacent water, sewer and access.

As a cemetary, it's value is almost an intangible, however to purchase land under today's market conditions would come close to the $300,000 figure.

EH/sv
cc

EXHIBIT G

CONTRACT

THIS AGREEMENT, made this 1 day of September, 1977, by and between Kodiak Island Borough, herein called "Borough", acting herein through its Presiding Officer (Title of Authorized Officia

and Alagnak, Incorporated
STRIKE OUT INAPPLICABLE TERMS (a corporation) (a partnership) (an individual doing business as _____

of Kodiak, State of Alaska

hereinafter called "Contractor".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the BOROUGH, the CONTRACTOR hereby agrees with the BOROUGH to commence and complete the construction described as follows: Road Maintenance and [illegible]val - Bells Flats/Russian Creek Service Area, hereinafter call[illegible], for the amount specified in the attached bid schedule. A[illegible] in connection therewith, under the terms as stated in the [illegible] Conditions of the Contract; and at his (its or their) own prop[illegible] cost and expense to furnish all the materials, supplies, machinery, equipment, tools, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions and prices stated in the Proposal, the plans, which include all maps, plats, blueprints and other drawings and printed or written explanatory matter thereof, the specifications and contract documents, all of which are made a part hereof and collectively evidence and constitute the contract.

The CONTRACTOR hereby agrees to commence work under this contract on or before a date to be specified in a written "Notice to Proceed" of the BOROUGH and on a timely call out basis thereafter for the duration of the contract.

EXHIBIT H

The BOROUGH agrees to pay the CONTRACTOR in current funds for the performance of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in three (3) counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

KODIAK ISLAND BOROUGH

Margaret D. Turner
(Secretary)

BY John B. Roth
Presiding Officer
(Title)

Shirley Miller
(Witness)

ALAGNAK, INC.
(Contractor)

(Secretary)

BY Fred Peterson
President
(Title)

(Witness)

Box 1279 - Kodiak, Alaska 99615
(Address and Zip Code)

NOTE: Secretary of the Borough should attest. If Contractor is a corporation, Secretary should attest.

JOAN M. KATZ
ATTORNEY AT LAW
1614 HIDDEN LANE
ANCHORAGE, ALASKA 99501
(907) 274-3804

November 21, 1977

Patrick K. Poland
Staff Assistant to the
Local Boundary Commission
Department of Community
and Regional Affairs
511 West Fourth Ave.
Anchorage, Alaska

Dear Pat:

This is simply to confirm our conversation of last Friday, November 18, 1977. At that time I requested that the Kodiak hearing now scheduled for December 12, 1977 be rescheduled for later in that week to enable me to prepare the Borough's brief in sufficient time so that Commissioners would have the opportunity to review it prior to the hearing. You denied that request. The Borough is now proceeding with the case within the time frame you have set forth. Should the short time allowed appear to prejudice the Borough at a later date, the objection will be reiterated at that time.

I look forward to hearing from you later today in regard to the review of Commissio precedents we discussed.

Thank for your consideration.

Sincerely,

Joan M. Katz

EXHIBIT I

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	))))))

BRIEF OF THE RESPONDENT KODIAK ISLAND BOROUGH

Introduction

Annexation entails substantial financial, political and practical consequences for property owners and residents of the lands involved. To assess those consequences in connection with the Kodiak situation, three fundamental questions need to be asked: (1) whether annexation would serve any real purpose so far as the territory to be annexed is concerned; (2) whether the alleged equities on the City's part exist in fact, or have been advanced simply to justify a quest for additional revenues; and (3) whether adverse consequences would befall individuals within the territory, or without, should annexation occur. Respondent's analysis of these questions will address the relevant, specific factors set forth in 19 AAC 05.010, as well as the concerns raised in both the letter of May 1, 1978, from Sheila Gallagher to Stewart Denslow, and in the Preliminary Report from the Department of Community and Regional Affairs, dated May 10, 1978.[1] In light of the fact that this proposed annexation is a legislative one, with no opportunity for the people involved to express their opinions at the polls, abstract theories of symmetry in local government should not be afforded excessive weight. The

[1] The final report was not available at the time this Brief was being prepared.

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realities of the Kodiak situation need to be examined.

I. What Needs Exist Within The Territory That Could Best Be Met By Annexation?

Annexation makes sense only if services are needed and desired by the people affected which can best be provided by the annexing government. The evidence in this case, however, is that people outside the City's current boundaries are generally content with not only their government, but also the kinds and levels of services they are presently receiving.

An attitudes survey conducted by the Anchorage Urban Observatory last year indicates that the three greatest concerns for residents outside the City are litter, roads and the high cost of goods.[2] Inside the City, residents are most concerned about the same two priority issues, although roads are placed above litter. The problems of physical isolation and "environment" tie for third place. Outside the City only one person in the sample rated utilities as a top priority; only one identified animal control as such. And not a single person identified police or fire service as the most urgent problem.

These findings are highly significant in reflecting a general, marked absence of desire on the part of people in the affected territory to change the kind, or raise the level, of services they receive - even when no price tag is attached. The only exceptions occur in connection with roads and litter.

a. Roads. Kodiak's roads are essentially State maintained, with only 13 miles of road under City jurisdiction and 15.5 miles within the Borough's authority. Annexation for the purposes of road maintenance would be nonsensical for two reasons. First, the people within the City are more dissatisfied with the condition of their roads than are the people outside the City,

---

[2] For more detailed information on this survey see Kodiak Island Borough Economic Analysis, submitted by Drs. Green and Hill as part of the Borough's presentation in this proceeding.

suggesting that the City is hardly the appropriate government unit to undertake further road work. In addition to the findings of the Urban Observatory study in this regard, there is the testimony of City residents like Charles Davidson, who stated at the December 12, 1977 hearing that he was opposed to annexation in light of the City's inability to adequately pave and/or oil the roads within its current jurisdiction.

Second, Borough voters have recently elected to adopt road power within Service District I of the Mill Bay-Monashka Service area. This power will enable the Borough to offer road service to those areas in which the property owners vote to foot the bill. Such an undertaking has previously proven successful in the Bells Flat area, where private contractors provide road maintenance. (See Exhibit H to Respondent's Brief of December 9, 1977, regarding the proposed Mill Bay Road Annexation.)

Comments by the Local Boundry Commission staff concerning the absence of a Borough public works department to provide road maintenance are irrelevant to the Kodiak situation. As indicated previously, the roads at issue here do not cover hundreds of miles, but rather approximately 15.5 miles. Private contractors are not only capable of providing maintenance, grading, snow removal, etc. for this amount of road surface; such contractual arrangements would seem to be a boon to the local economy. Finally, it should be noted that in Fiscal 1978 the people of the Russian Creek and Bells Flat areas voted to spend $38,000 on road maintenance for nine miles of road while the City spent $1,110,014 for 13 miles of road maintenance and construction. The people currently living outside the City's boundaries should continue to have the right to choose to spend $38,000 vs. $1,110,01 if they are satisfied with the lower level of service. Annexation would deprive them of that right to choose.

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b. Litter. Litter, the other major concern of Kodiak residents in and outside of the City, also provides no basis for annexation The State again has responsibility for maintaining

its roadways and would be charged with litter removal in those areas. The Borough, pursuant to its planning, road and health powers would similarly be able to undertake this responsibility. To support its case for annexation, the City would seem to have the burden of showing that it could better meet this problem.

c. Sewer and Water. The only additional, significant need that the Local Boundary Commission might want to examine would be that for sewer and water. In some areas of the Borough outside the City, sanitation standards necessitate, and the people desire (although not as a top priority) sewer and water improvements. The analysis submitted by the independent consultants from the Alaska Urban Observatory indicates that there is no reason to believe the City could meet these needs at less cost than the Borough. Unlike the services of roads and police, moreover, sewer and water are public utilities, in the same category as telephones. As such, they must pay their own way. They could, theoretically, be provided by a private corporation. The expansion of sewer and water into the territories in question should, therefore, have no bearing on the issue of annexation. (See Green and Hill, Kodiak Island Borough Economic Analysis, at 7.)

A review of services needed in the affected territory thus reveals that annexation represents a theory without any practical application or rational nexus to the facts in this case. There is no cry for expanded police protection. There is no reason to deprive private contractors of the opportunity to provide road maintenance at the level the people can afford. In his letter of December 16, 1977 to Mr. Strandberg, the City Manager himself acknowledged: "I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need to annex. This is especially true in the Kodiak urban area". (Exhibit A, at 2-3) The point made by Drs. Green and Hill, of

course, is that not even sewer and water requirements create any need or justification for annexation. From the territory's standpoint, annexation is simply not needed in any way, to provide any service.

II. Is the City Entitled To Annexation For Reasons of Equity?

It is arguable, though Respondent would oppose this notion, that even without a need for annexation, such action could be required if the City is presently being placed in an inequitable position by virtue of non-City residents' use and enjoyment of City facilities and services. The City took this position in its Mill Bay Road petition brief; the information presented by Respondent in connection with that annexation is equally applicable here. Respondent's previous brief summarized the facts regarding specific services mentioned by the City in its plea for "equity" as follows:

> The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p.2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

Also mentioned in Respondent's previous brief was the highly significant fact of the three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses. Strong concern with the "high cost of goods" as expressed in the Urban Observatory attitudes survey, indicates the substantial impact of this tax. In a memorandum prepared at the time of the previous annexation hearing in Kodiak,

the Borough Planning Director researched his own financial situation and presented figures establishing that as a non-City resident, he was paying more taxes to the City (as a result of the sales tax) than he was contributing to the Borough through personal and real property taxes. (Memorandum from Planning Director to Borough Manager, December 6, 1977, Exhibit B.)

Local Boundary Commission regulations contemplate that measures such as sales taxes can be used as alternatives, not supplements, to annexation. 19 AAC 05.010(a)(8) provides in part:

> In determining whether [property owners in the territory receive the benefit of City services without commensurate tax controls] the Commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers . . . .

Through this sales tax (plus the contribution to firefighting equipment, dock user fees, etc.), non-City residents of the Borough more than pay their way. They pay not only for benefits they receive, but for benefits innuring only or principally to City residents. For example, $60,000 received from sales tax revenues (to which non-City residents contribute as much per capita as City residents) has been used to finance construction of water and sewer facilities within the City in the 1977-78 fiscal year. (City of Kodiak Budget 1977-78 Fiscal year.) Even more significant perhaps, a substantial percentage of the property taxes owed by City property owners are being paid by sales tax receipts garnered from non-City residents as well as City residents. While the appraised value of City property should have netted the City 1.3 million dollars in tax receipts, in fact only $655,000 is being collected. (City of Kodiak Budget 1977-78 Fiscal year.) Where is the equity in such an arrangement? If City residents are not even paying their own property taxes at this time, what possible justification can there be for seeking to tax people currently outside the City boundaries?

It is apparent, thus, that if any group of people is being treated inequitably, it is the territory residents: they pay City bills through sales taxes while contributing directly through user fees and the like for services that they utilize. The City, in truth, simply wants to spread it's overhead a little thinner - an understandable position, but one decidedly negated by the equities of the situation.

III. Would Annexation Have Any Adverse Effects Upon Territory Residents Or Other Kodiak Citizens?

It is evident that annexation is not warranted because of any need for City services or from any equitable standpoint. It should be recognized, in addition, that annexation could be extremely harmful to territory residents - and ultimately to the Kodiak community at large.

Respondent's previous brief on Hill Bay Road attempted to illustrate the relative costs to territory residents of provisions of water and sewer services with and without annexation. On the assumption that territory property owners would pay existing City taxes to acquire such services, it was determined that the price tag for the annexed resident would be 16.3 mills plus $25.00 per month in assessments, as opposed to 9.47 mills and $28.75 per month for non-City residents. (Respondent's Brief 12-09-77 at 3.) Drs. Green and Hill have calculated potential mill rates under annexation on the alternative assumption that annexation would simply shift some of the City's cost to the new territory. In that case the mill rate for City residents would be 15.19 mills - as opposed to 9.47 for non-City residents receiving sewer and water. (See Green and Hill at 12.) The difference under either method of calculation, is clearly substantial.

There is another consideration however, which is as important as the economic detriment to be suffered through annexation.

This is the potential effect on this relatively small community of the hostility that would be engendered by the imposition of annexation on a group of people who are adamantly opposed to it. An effort at unification was initiated by the City on October 27, 1977. (Resolution 23-77, Exhibit C.) The Borough responded in good faith, and scheduled a day long workshop attended by members of the public, City and Borough officials, a representative from Community and Regional Affairs and the former attorney of the Anchorage Charter Commission. As a result of that meeting, the Borough Assembly voted unanimously to put the question of unification on the ballot this Fall. (Resolution No. 78-34-R, April 6, 1978, Exhibit D.)

Unification is an appropriate means by which to avoid duplication of government units and promote more efficient government. Most importantly, it is also a means well suited to healing political wounds and allowing citizens to work together toward common goals. If the Local Boundary Commission were to try to design a tool aimed at destroying any hope for unification in Kodiak, it could propose no better means than the contemplated annexation. As testimony at the December 12, 1977 hearing established, many citizens of the Borough outside the City limits are bitterly antagonistic towards the City as a result of actions or inactions attributable to that government. Many citizens, further, are outraged by their lack of opportunity to vote their views on the annexation question. Should City dominion now be imposed upon them, the chances of a harmonious movement towards unification would be destroyed.

Conclusion

Annexation may have a theoretical appeal along the lines of political neatness. Theory is not reality, however, and the fact is that without annexation there will be service districts,

with annexation, there will probably be differential taxation with inconsistent levels of service, and with unification, there would still -- and again -- be service districts. The diference between the present situation and annexation -- the only two options available to the Local Boundary Commission -- is in the degree of choice to be exercised in the annexed territory. And that choice of course translates into substantial impact on the pocketbooks of the property owners involved.

The Local Boundary Commission is undoubtedly cognizant of its significant power and responsibility in considering legislative annexations. Respondent urges the Commissioners to ask themselves the three questions posed in this Brief while deliberating the merits of this case. The answers, the Borough feels confident, will show no need for services that the Borough cannot provide at a cost comparable to or lower than the City; no inequity done to the City by non-City residents; and adverse effects on both territory residents and other Kodiak citizens alike should annexation be approved. In light of these realities, Respondent respectfully submits that legislative annexation in this case would be an abuse of discretion. Respondent requests that annexation be denied.

DATED this 15th day of May, 1978.

Joan M. Katz

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	)))))

CERTIFICATE OF COUNSEL

I, Joan M. Katz, counsel for the Kodiak Island Borough, certify that a copy of the Brief of the Respondent Kodiak Island Borough was delivered to the staff of the Local Boundary Commission for service on the City of Kodiak this 19th day of May, 1973.

Joan M. Katz

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

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Borough

City of Kodiak

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

December 16, 1977

Mr. Sigvald J. Strandberg
Chairman
Local Boundary Commission
Department of Community and
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Kodiak Island Borough
KODIAK, ALASKA
RECEIVED
DEC 19 1977

Dear Mr. Strandberg:

I do not envy the Commission's position when attempting to relate to the problems such as we have here in Kodiak. I respect your willingness to listen to many statements that are irrelevant; however, I do not believe they should bear much weight in your decision.

When I finished my initial remarks, I asked for an opportunity to reply to the Respondent's Brief. For one reason or another, you did not honor my request. I realize your desire not to prolong the hearing; however, there were many points that were made that were not true. It is too bad that you were not willing to give me an opportunity to clear them up for you and those attending the meeting.

I think it should be made known in what capacity your fellow Commission member, Ms. Gallagher, is working for the Boreegh. It is obvious that if her employment has anything to do with any of the issues mentioned in the annexation proceedings she should disqualify herself from any court proceedings, as well as Commission activities. Her ability to ask questions during the hearing that would bear on possible litigation would seem reason enough for her to disqualify herself. I would like to hear from you or Ms. Gallagher regarding this issue.

There are several points I would like to make that were brought out in the testimony of the citizens.

EXHIBIT A

1. The City sewage treatment plant is 100% funded by the Federal and State Governments and City of Kodiak. The City's portion is financed in part by general obligation bonds. There are no Borough funds involved this sewage treatment plant.

2. It is obvious that the City is not going to reap any huge benefits from the annexation proposal. Half of the lots are in public ownership, there are no industries, pipelines, etc. that would constitute a windfall to the City if the annexation did occur.

3. Postponing the decision on this annexation until after the legislature begins is not fair. The merits are quite obvious. I should not have to go into any detail on this.

4. As far as I could ascertain, there was not one registered voter from the area in question who spoke against the annexation. If an election were held rather than the public hearing, none of those people would have been able to voice their opinions. I think it was incumbent upon the Commission to make this clear. One of the items I wished to make known was that no resident of the area spoke on the annexation. The only people involved were property owners and those renting or leasing for business purposes.

5. At the Borough meeting on December 1, I tried to explain that the annexation of the Mill Bay Road area was the only item to be considered at the hearing. The Borough overreacted and sent out notices to all post office box holders as well as the notices in the paper. I feel that it is this kind of activity that turns people off toward government and makes all our jobs more difficult.

6. As I understand it, there are five members of the Boundary Commission and since two can hold a public hearing but three need to make a decision, the other two members that were absent also need to concur in the decision to hold another public hearing on this annexation.

It is quite obvious that the residents of the Borough and City residents who own property in the Borough are against annexation because of the additional financial burden. As far as I am concerned, that is no reason for these people not to be annexed. From your comments, you seem to have similar feelings. I am going to ask the Council of the City of Kodiak to wait six months before meeting with the Boundary Commission again since no annexations can occur until 1979. The Borough will go ahead with their service areas and unnecessary duplication of taxing structures will automatically result. I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need

to annex. This is especially true in the Kodiak urban area.

I would like to take this opportunity to thank you for visiting with us. I really feel that you have quite a burden on your shoulders. I appreciate that fact only too well; however, I still feel that you have accepted your positions of trust and you have a responsibility to the municipalities that are depending on you for proper decisions.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom
City Manager

ILW/lp

cc: Commissioner MacAnerny
Governor Hammond
Senator Poland
Representative Snider

CONFIDENTIAL MEMORANDUM

To: Borough Manager
From: Planning Director
Subject: City and Borough Taxes, Individual Breakdown
Date: December 6, 1977

Sales Taxes:

Item	Amount of Tax (Month)
Food	$ 21.00
Telephone	2.25
Electricity	2.55
Fuel Oil (Furnace)	7.50
Clothing	3.00
Automobile Gas and Oil	1.80
Tire Repair	.54
Cosmetics	1.00
Water	.42
Dry Cleaning	.60
Cable Television	.51
Entertainment (Movies)	.75
Appliances (Large & small, Replace & repair)	1.05
Cards, Gifts, Candy	1.50
Books, Magazines, Newspaper	1.00
Meals Out	6.00
Beverages	5.00

Average Amount of Sales Tax Paid to City of Kodiak, $ 56.47 per Month;

Total Yearly Amount Sales Tax Paid to City (x 12), $ 677.64

Average of Combined City and Borough Taxes for non-City Resident, $1,117.68

Percentage of Total Tax Paid to the City of Kodiak, 60.629%

Percentage of Total Tax Paid to Kodiak Inland Borough, 39.370%.

Of the $440.04 paid to the Borough, 2.27 Mills or $109.44 were paid over to the City of Kodiak for fire protection, thus leaving the Borough with a net tax collected in the amount of $330.60, and the City of Kodiak with a total $787.08.

Percentage of Adjusted Total Tax Paid to the City, 70.421%,

Percentage of Adjusted Total Tax Paid to the Borough, 29.579%.

Respectfully submitted,

H Milligan

Harry Milligan

CITY OF KODIAK
RESOLUTION NUMBER 23-77

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK REGARDING THE ESTABLISHMENT OF A JOINT COMMITTEE TO STUDY UNIFICATION

WHEREAS, major changes are occurring in the entire Kodiak Island Borough, and

WHEREAS, the tax base is not sufficient to support excessive government and

WHEREAS, the relationships between the City of Kodiak and the Kodiak Island Borough demand close cooperation and coordination, and

WHREEAS, unification of the two governments might be in the best intere of the residents of the Kodiak Island Borough;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodi wishes to participate in a study task force along with the Borough Assembly members and private citizens to study the advantages and disadvantages of unification and to recommend whether or not unification would be in the best interest of the residents of the Kodiak Island Borough. The Council respectfully requests the Borough Assembly to participate in this task force and to meet with the Council in worksession to determine how best to implement this study group.

PASSED AND APPROVED this 27th day of October, 1977.

Fern Flint
MAYOR

ATTEST:

Libby Pronall
CITY CLERK

EXHIBIT C

A RESOLUTION PLACING BEFORE THE VOTERS OF THE KODIAK ISLAND BOROUGH THE QUESTION OF ELECTION OF A CHARTER COMMISSION TO PREPARE A UNIFICATION CHARTER.

WHEREAS, Alaska Statute 29.68 provides a method whereby a borough and the cities within it may be united into one government under a home rule charter, and

WHEREAS, the Assembly has determined that the voters of the Kodiak Island Borough should be given an opportunity to determine whether they wish to create a charter commission to prepare a home rule charter to be approved or disapproved by separate vote of the voters within and outside first class cities at a subsequent election.

NOW THEREFORE BE IT RESOLVED by the Kodiak Island Borough Assembly:

Section 1. The following proposition shall be submitted to the voters at the next regular Borough election to be held on October 3, 1978, which is at least 90 days after adoption of this resolution:

Shall a charter commission be formed (and charter commission members be elected as elsewhere provided on this ballot) to perpare, adopt and submit to the voters for their approval or rejection a proposed charter uniting Kodiak Island Borough and all cities within it as a single unit of home rule government having the powers, duties, and functions of a unified government as authorized by law?

Yes ( ) No ( )

Section 2. Effective upon the adoption of this resolution, a call is issued for nominations of charter commission candidates, specifying the filing deadline, and outlining the procedures for making nominations as follows:

(a) Eleven qualified voters shall be elected to a charter commission. Three (3) at large and eight (8) from (1) cities, or (2) the area outside cities. The number of members elected from cities and from the area outside cities shall be proportionate to the respective populations, as determined by the Department of Community and Regional Affairs.

(b) Charter commission candidates shall be nominated by petition signed by at least 50 qualified voters of the area from which the candidate seeks election, or by a number of qualified voters from that area equal to at least 10 per cent of the number of votes cast from that area in the last regular Borough election, whichever is less.

(c) Nomination petitions shall be filed with the Borough Clerk not later than September 1, 1978, which date is at least 30 days after notice of the call for nominations has been given through the Borough. Nominating petition forms shall be provided by the Borough Clerk.

(d) Procedures for acceptance of petitions, withdrawal of petitions and other election matters shall comply with all requirements of State law, and with the requirements of Title 2 of the Code of Ordinances of the Kodiak Island Borough to the extent consistent with State law.

Section 3. The vote on the proposition stated in Section 1 shall be tabulated in two separate classification.

One classification shall consist of all votes cast in the (first class and home rule cities) of the Borough. The other classification shall consist of all votes cast in the remaining areas of the Borough. In order for unification to be approved, it is necessary that a majority of the votes in each classification favor unification.

If unification is approved, those charter commission candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

PASSED AND APPROVED by the Assembly of the Kodiak Island Borough this 6th day of April, 1978.

KODIAK ISLAND BOROUGH

BY Betty J. Wallin
Mayor

ATTEST:

Sheila Miller
Borough Clerk-Treasurer

G. Hayden Green, Ph.D. MBA

University of Alaska, Anchorage
3221 Providence Dr.
Anchorage, Alaska 99504

Betty Wallin, Mayor
Kodiak Island Borough
Kodiak, Alaska

Honorable Betty Wallin:

In accordance with your request, Dr. P.J. Hill and I conducted an analysis to determine the economic consequence with regard to the matter of annexation of portions of the Kodiak Borough by the City of Kodiak. To facilitate the study, we have thoroughly dissected the annual operating budgets of both governmental entities, that is, the Borough and City, and analyzed a substantial amount of information contained in reports produced by other consultants and government entities.

We have generally concluded that the residents in the area being considered for annexation will not derive appreciable economic benefit from the City's proposed boundary expansion. From an economic prospective, the only justifications for expanding the governmental and taxing authority of the City are: (1) if the residents outside the City are dissatisfied with the level of service they are receiving, (2) if the City can provide services more efficiently and economically than the Borough and (3) if residents inside the City are carrying a disproportional burden for service shared by area-wide residents. Relevant information suggests that none of these conditions exist; therefore, annexation is not warranted. The basis for these conclusions are summarized in numerical order throughout the remainder of this report.

Sincerely,

G. Hayden Green

G. Hayden Green, Ph.D.

P.J. Hill

P.J. Hill, Ph.D.

G. Hayden Green, Ph.D, MBA

KODIAK ISLAND BOROUGH ANNEXATION ECONOMIC ANALYSIS

1. Borough residents level of satisfaction with existing services:

Members of the Anchorage Urban Observatory research staff were commissioned to conduct a survey of attitudes of residents in the Kodiak Borough as part of an OCS impact study in 1977. As part of that study, respondents were asked questions regarding their level of satisfaction with services received. A total of 472 individuals completed the survey. To determine if the level of satisfaction with services received varies between residents within the City and those residents in the proposed annex area, some additional computer and statistical analyses were conducted of the original questionnaire responses.

Individuals living in the village who responded to the questionnaire were omitted. The balance of the respondents were separated into two groups, that is, those people within the City limits and those in the proposed annex area. One question asked was, "What do you dislike about your area?" Of the 199 respondents living within the City, 15.1% listed roads; and 13.1% listed litter as their main area of dissatisfaction. Of the 119 individuals responding to the questionnaire who live in the proposed annex area, 12.6% listed roads; while 13.4% listed litter. This was the area with which residents registered their greatest level of dissatisfaction (roads and litter). In the Table attached, it can be seen that very little difference exists between the level of dissatisfaction with services between individuals living within the City limits and those living outside. In fact it should be noted that, while 2.5% of the respondents living within the City listed police and fire protection as their number one concern, not one person living outside the City listed it as an area of dislike. (See Table 1)

In another question residents were asked to rank several factors which they considered major problems facing the Kodiak Borough. In Table 2 the percentage of individuals listing various factors as their number one concerns are shown. It should be noted that only 5 percent of the respondents living outside the City listed inadequate public facilities and services as a primary concern.

A third question queried residents about those areas they felt were the communities' most pressing needs. Again, we separated respondents within the City and those in the proposed annex area. The factors listed as being the most pressing need were housing and roads by both sectors of the areas' population. Nine percent of the City's residents listed public services, water and sewer as a pressing need; while only 4.2 percent outside the City listed it as their first concern. (See Table 3)

In a subsequent question, residents were asked to rate community facilities and service as either presently being adequate, needing upgrading at the present time or needing upgrading in the future. A perusal of Table 4 suggests that residents outside the City have equal concerns with the level of services they receive. (See Table 4)

Several important implications pertinent to the issue of annexation are gleaned from the survey data:

1. Individuals within the City limits and those persons outside the City have similar attitudes towards the level of service they receive, that is, a comparable level of satisfaction with regard to public goods in relation to their cost.

2. The services of greatest concern to both City and Borough residents are roads and litter conditions. According to state records, the City maintains 13 miles of roads; while the Borough maintains 9 miles of roads. The remaining road system is state or privately maintained. The survey results suggest that residents do not perceive the City as doing a better job maintaining their road systems than the Borough is with its roads.

3. The survey results clearly suggest that the City is not more astute at providing services to local residences than the Borough government. There is some dissatisfaction among City residents with some services provided by the City of Kodiak, i.e. law enforcement, animal control, airport, parks, and roads. Within those services provided area-wide by the Borough, there exists a relatively high level of resident satisfaction, i.e. medical service and education.

4. The survey results indicate that individuals in the outlying areas are satisfied with the level of service they are receiving. This would suggest that the initiative to expand the boundaries of the City limits originated within the City or from a minority group.

TABLE 1

KODIAK ISLAND BOROUGH COMMUNITY ATTITUDE SURVEY

WHAT RESIDENTS DISLIKE MOST ABOUT AREA

CATEGORY LABEL	RELATIVE FREQ (%) CITY	RELATIVE FREQ (%) BOROUGH
NR	3.5	1.7
Environment	6.5	6.7
Roads	15.1	12.6
Litter	13.1	13.4
Utilities	1.5	0.8
Poor Govt.	2.5	2.5
Animal Control	1.5	0.8
Pub. Transport.	0.5	0.8
Police-Fire	2.5	0
Lack Recreation	2.0	1.7
Trans. Facilities	1.5	0
Planning-zoning	1.5	4.2
Devpt.-Growth	3.0	3.4
Oil Devpt.	0.5	0
High Costs Goods	5.5	10.9
High Cost Land	2.0	0.8
High Taxes	0.5	0
Inflation	3.0	2.5
Lack Housing	5.0	5.0
Physical Isolation	6.5	6.7
Pop. Growth	4.5	7.6
Alcohol Abuse	3.5	1.7

TABLE 2

MAJOR PROBLEM FACING THE KODIAK BOROUGH

	City Residents	Outside City Residents
Inadequate Public Facilities and Services	10.6	5.0
OCS Impact	13.1	21.8
Shortage of Housing	48.2	41.2
Conflicting Land Use	13.1	15.1
Preservation of Cultural Diversity	4.5	4.2
Preservation of Natural Environment	8.5	10.9
Other	9.0	5.0

TABLE 3

COMMUNITIES' MOST PRESSING NEEDS

	RELATIVE FREQ. (%) CITY	RELATIVE FREQ. (%) BOROUGH
NR	8.5	8.4
Housing	36.7	42.9
Jobs	1.0	0.8
Roads	6.0	3.4
Road Maintenance	1.0	1.7
Road Constr.	0.5	0
Better Govt.	1.5	1.7
Open up Land	1.5	4.2
Land for Building	2.0	1.7
Boat Harbor	1.5	0.8
Env. Protection	0.5	0
Alt. Energy	0.5	0.8
Protect Fishing	0.5	0.8
Plan Slow Growth	4.5	5.0
Control Oil Devpt.	1.0	1.7
Interethnic Coop.	1.0	0.8
Enforce Zoning	1.0	0
Public Services	3.0	1.7
Water-Sewer	6.0	2.5
Pest Control	1.0	0
Alc-Drug. Rehab.	3.0	0

TABLE 4

ATTITUDE TOWARD COMMUNITY FACILITIES AND SERVICES

ATTITUDE TOWARD	PERCENT WHO RESPONDED PRESENTLY ADEQUATE		PERCENT WHO RESPONDED NEEDS UPGRADING NOW		PERCENT WHO RESPONDED WILL NEED UPGRADING	
	City	Outside	City	Outside	City	Outside
Water Utility	30.2	16.8	37.2	39.5	25.6	24.4
Sewer Utility	29.1	14.3	40.7	47.9	20.6	16.0
Electric Utility	23.1	19.3	42.2	40.3	29.1	31.1
Refuse Collection	42.7	35.3	27.6	23.5	23.6	26.1
Telephone Utility	15.6	21.8	63.3	54.6	15.1	17.6
T.V. and Radio	25.6	22.7	53.8	58.8	12.1	13.4
Highway and Roads	11.1	10.1	72.9	79.0	9.5	5.0
State Airport	30.2	42.0	41.7	36.	20.6	19.0
City Airport	18.1	26.1	44.7	47.9	13.6	9.2
Kodiak Dock	37.2	45.2	31.7	26.1	21.1	21.8
State Ferry	52.8	55.5	28.6	22.7	11.1	17.6
Law Enforcement	25.1	31.1	51.8	45.5	16.1	17.6
Fire Protection	55.8	43.7	17.8	25.2	18.1	23.5
Animal Control	29.6	21.8	48.2	51.3	10.1	10.9
Emergency Medical	45.2	52.9	24.1	26.9	20.6	15.1
Court System	30.2	35.3	44.7	45.4	16.1	10.9
Elementary School	40.7	36.1	33.2	31.9	18.6	21.8
Secondard Education	36.2	32.8	37.7	37.0	18.1	20.8
Community College	44.7	47.9	23.6	25.2	21.1	20.2
Medical Service	43.2	50.4	35.2	28.6	16.1	[illegible].6
Sanitation	29.1	23.5	45.7	47.9	15.1	[illegible] 5
Public Assistance	26.1	25.2	52.8	50.4	6.0	[illegible] 2
Employment	46.7	42.0	28.6	28.6	11.6	17.6
Social Services	43.2	44.5	31.2	26.9	12.6	16.0
Parks	28.6	28.6	41.2	47.1	22.6	13.4
Recreation Facilities	23.6	21.8	46.2	49.6	20.1	12.6
Open Space	44.7	37.0	27.6	31.9	11.1	10.9
Museum	67.3	62.2	12.1	19.3	16.1	12.6
Library	69.3	68.9	8.0	14.3	18.1	13.4
Postal	14.6	17.6	62 8	70.6	14.6	10.1

2. Can the City provide services more efficiently and economically than the Borough?

One other area upon which the annexation decision should be predicated is the cost of providing public services. The City asserted in the original petition that it could provide services to the area in question more efficiently through annexation than otherwise.

In discussing this, several things need to be well defined. First, it is desirable to separate public goods from public utilities especially with respect to governmental finance. There are some goods that local governments provide that are, in reality, public utilities. Sewer and water systems fall under this category. Those who receive the benefits from these goods are easily identified; and these systems should, if possible, be supported by user fees. These facilities should not be financed by general taxes.

Secondly, with respect to the financing of public goods, it is possible to go the service district route efficiently. All that is required is an institutional arrangement whereby those who receive the benefits can be assessed in proportion to the costs. (The costs would include some prorata share of the fixed plant, not just thin marginal cost.) There is no loss in efficiency in doing this through service districts, and there is no economic reason for necessitating annexation. Expansion of services may produce some economies of scale (the larger the operation, the lower is the cost per unit of output); yet these can be realized without annexation. The service district would seem a more desirable route because of the ability of the residents to choose which public utilities they want.

Public goods are those types of goods which must, by necessity, be provided through taxation (police, planning, general administration, parks, etc.); yet there is no reason to believe that they require the annexation process. They could be provided on the basis of service districts and differential taxation. It should be remembered that the benefits of the service (public good) do have geographical limitations.

Further, it is doubtful than any particular government has a unique advantage in terms of production costs. Both the Borough and the City have to buy their resources in the same market, and they face the same types of technology. There is probably no economic rationale for having a service provided by one government over another.

To provide a basis for comparing the cost and operating efficiency of the two governments, we used the 1977/78 operating budgets of the two entities. (See Table 5)

It should be noted that several duplicated positions exist within the Borough and City governments. These will not be eliminated if the City boundaries are expanded.

A preferable alternative to annexation would be unification. If the two governments were unified, the positions listed in Table 6 could be eliminated. It should be noted, however, that the historical experience of unification efforts have not resulted in substantial cost savings. Where costs are saved in one area, they are often absorbed in others. The primary advantage of unification is the elimination of the conflict that often arises where two governments serve the same citizenry.

TABLE 5

BOROUGH AND CITY BUDGETS

GENERAL COST Executive & Clerk	City	Borough
1. Travel & Per Diem	6,870	8,780
2. Compensation Mayor council	2,760	4,800
3. Legal	55,000	16,500
4. Capital Expenditures Office Machines, etc.	10,100	10,000
5. Manager's salary	39,500	42,462
6. Manager's Secretary		13,687
7. Clerk/Treasurer	27,687	18,331
8. Secretary	13,810	13,687
9. Bookeeper		15,741
10. Benefits	24,319	6,103
11. Dues	6,190	4,200
12. Expenses (Mayor & Council)	4,800	2,000
13. Overtime	100	1,200
14. Supplies	5,350	8,000
15. Professional Services	7,000	5,000
16. Professional Development		5,000
17. Insurance & Bonding		2,500
18. Group Insurance		1,089
19. Communication, Adv.	4,490	6,790
20. Printing	8,000	

TABLE 5 (continued)

BOROUGH AND CITY BUDGETS

GENERAL COST Exectuive & Clerk	City	Borough
21. Repairs and Maintenance	500	2,000
22. Rentals	4,805	1,500
23. Equipment		
24. Vehicle Allowance		3,000
25. Post Audit		25,500
26. Election		7,000
27. Boards and Commissions		500
28. Termination Reserves		3,000
Expenses	221,281	241,870
		86,648.48
		328,518.48
		102,575.00
Expenses		431,193.48
Revenues		
earned	60,514	305,050
shared	36,546	750,000
taxes	124,221	51,143

TABLE 5 (continued)

CITY

Tax Collecting - Finance	Revenues	
Expenses	Earned	31,492
223,270	Shared	36,873
	Tax	154,904
Police Department		
Expenditures	Revenues	
813,379	Earned	251,330
	Shared	172,635
	Tax	389,414
Fire Department		
Expenditures	Revenues	
333,241	Earned	59,150
	Shared	55,042
	Tax	219,048
Public Works		
Expenditures	Revenues	
631,401	Earned	296,142
	Shared	144,279
	Tax	190,979
Parks & Recreation		
Expenditures	Revenues	
128,946	Earned	20,500
	Shared	21,295
	Tax	87,151
Library		
Expenditures	Revenues	
137,351	Earned	15,000
	Shared	22,935
	Tax	99,416
Museum		
Expenditures	Revenues	
18,000	Earned	0
	Shared	2,973
	Tax	15,027
Engineering		
Expenditures	Revenues	
112,159	Earned	32,100
	Shared	18,524
	Tax	61,535

TABLE 5 (continued.

Non Departmental		
Expenditures		Revenues
1,450,239		Earned 471,034
		Shared 239,518
		Tax 739,687
		Taxes (including tax on city utilities)
		2,081,385
		Earned and Shared
		1,987,882
BOROUGH		
Assessing Department		
Expenditures		Revenues
102,386		Taxes & Reserves 102,386
Planning and Zoning		Revenues
Expenditures		Earned
173,949		Shared 15,800
		Tax 158,149
School Support		
Expenditures		Revenues
851,498		Shared 248,033
		Tax 603,465
Health		
Expenditures		Revenues
226,850		Shared 162,000
		Tax 64,850
Building and Maintenance		
Expenditures		Revenues
191,344		Earned
		Tax 191,344
	Taxes & Surplus	1,171,337
	Earned & Shared	805,883

3. Are residents inside the City carrying a disproportional burden for services?

Kodiak is particularly concerned that they (City residents) are paying for many "public goods" that are used by people who live outside the City boundaries. The charge is that these non-city residents are "free riders." It would be useful to examine sources of revenue for the City and identify revenues that are paid by City residents and by non-residents.

The population of the respective areas (City and surounding area) is computed as follows: The total population of the City (official population figures used by the State of Alaska for revenue sharing) and the Borough in 1977 is 4,960 and 7,901 respectively. The population of the five second-class cities in the Borough (these are Akhiok, Larsen Bay, Port Lions, Ouzinke and Old Harbor) totaled 940. It will be assumed that there are approximately 200 persons living in other areas (areas outside cities). Therefore, the total population living in the greater Kodiak (City) area is 7,901 less 1,140 or about 6,761. Of that total, 4,960 live in Kodiak city; and about 1,800 live in the surrounding area. Therefore, of the total resident population in the greater area, City residents account for approximately 73 percent which implies that the surrounding area holds about 27 percent of the population.

Additionally, the migratory labor force accounts for a significant portion of those people who are hit by sales taxes. Accounting for a trend, it would appear that, on average, the labor force is 13 percent higher than the permanent residents would support. This is due to the cyclic nature of employment.

Thus, there would appear to be a significant portion of the population that would be hit by the sales tax who are not permanent residents of Kodiak city. Assuming that there are not wide differences in the distribution of income between residents (of the City) and non-residents, it would not be unreasonable to assume that people would pay the same amount in sales taxes to the City, no matter where they lived either within the City, the surrounding area or were transient labor force. Conceivably, what I can account for would seem to indicate that residents of the surrounding area and transient labor force (in covered employment) would probably account for about 40 percent of the total sales taxes collected. Additionally, there are others who pay sales taxes who are not accounted for by this figure (any sales that are made to Borough residents outside the greater Kodiak city area which would include all the outlying villages and any purchases made by the U.S. coastguard personnel). Also, there are significant sales taxes paid by people who work in Kodiak in the summertime who are not in covered employment; this would include all the sales made to fishing boats from the outside. Thus, the portion of sales taxes paid by non-city residents is probably greater than 50 percent.

One of the traditional arguments for a sales tax, at least in this instance, would seem to hold true. Sales taxes can be levied to tax people who might otherwise escape taxation, notably, tourists, transients, and non-residents of a political jurisdiction.

Other taxes of the city that are ultimately paid by non-city residents would include their portion of the property taxes that are shifted forward by commercial businesses within the City. Traditionally, across the U.S., businesses account for about 50 percent of property taxes (see Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74 ed., Washington, D.C., p. 173). It is commonly believed that businesses shift large portions of the property tax on to the consumer in the form of higher prices. For example, the Port of Kodiak included $83,000 as a payment to City government in lieu of property taxes. This payment was included as part of the rate base in calculating charges for use of the terminal. This shifting is especially true in non-competitive market structures which is characteristic of the Kodiak economy. Thus if 50 percent of total retail sales which are made in Kodiak are made to non-city residents and are passed along in the form of higher prices, then it would be possible to conclude that approximately 25 percent of the property taxes paid to the city are, in fact, paid by non-city residents.

In terms of the total tax revenue Kodiak city collects, the City residents collect a significant portion of their taxes from people who do not reside in the City. Of total property taxes paid, we can attribute $163,750 to non-residents; and, of the total sales tax revenue ($1,250,000), approximately half ($625,000) can be attributed to non-residents. Thus it would seem as though non-residents pay as much as $788,000 into the purse of Kodiak city which accounts for almost 41 percent of total tax revenue. It can hardly be said that there is a significant "free rider" problem.

It is interesting to examine what would happen to property taxes in the area to be annexed if annexation were to take place and the City spread its property taxes out over a larger tax base. Currently, there are four service areas where differential taxation is imposed. These include: the City (TCA1), the fire district (TCA8), the road district (TCA9) and the villages (TCA9). The fire district and the road district property would be added to that of the City upon annexation; both of these areas hold about 12.85 percent of the total property in the Borough. The City, on the otherhand, contains 81.17 percent of total property in the Borough.

By using the mill rate and the tax base of the areas to be annexed along with the City, it is possible to examine what would happen if the property tax of the City were spread over the whole area. Currently the City is taxed at a 16.33 mill rate; the surrounding area mill rate is 7.23 with an additional assessment of 0.75 mills in the road district and 2.27 mills in the fire district. If the focus of annexation were to simply shift some of the cost to the outlying areas, the same total amount would be collected with the mill rate of the various areas being equalized. The overall mill rate would be 15.19 mills -- a decrease of 1.14 mills in the City (a decrease of $85.5 on a $75,000 home), an increase of 5.69 mills in the fire district (a $426.00 increase in property taxes on a $75,000 home), and an increase of 7.21 mills in the road district (an increase of $540.75 on a $75,000 home) for residents outside the City.

Further, it might be noted that the area to be annexed includes the U.S. Coast Guard base. Thus the retail sales on the base would be subject to the City sales tax which would add to the City revenues significantly. It is difficult to know how much this will add to the City revenues. The Office of non-appropriated fund for the Coast Guard reported that this total operation was approximately $3.5 million. While most of that was the BX and similar activity, the precise amount that would be hit by a retail sales tax would be difficult to determine. If, for example, $2.0 million were covered by the retail sales tax, the City would collect $60,000. This is about five percent of the total tax revenues for the City.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Some questions raised by the annexation question:

1. What needs exist wi hin the area to be annexed that would best be met by annexation?

2. Is the City entitled to annexation for reasons of equity?

3. Would annexation have any adverse effects upon those residing in the area to be annexed or upon other Kodiak residents?

4. Does the annexation proposed meet the standards for annexation as contained in 19 Alaska Administrative Code 05.010 ? (See copies given Committee members)

Alaska State Legislature

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Points for consideration raised by Jack Chenoweth on Kodiak annexation issue -- January 29, 1979

Re the character of local government in Alaska:

1. The adaptation of local government to continually changing conditions is a characteristic of Alaska's local government system.
2. The decision regarding changing boundaries must be taken not by those immediately affected but by a state agency (the Local Boundary Commission) on the basis of independent evaluation.

Points related to the purpose of legislative oversight on annexation questions:

1. As political subdivisions, the cities and boroughs which have been incorporated are established to perform portions of the state's responsibilities for government that they are capable of performing. The state cannot escape responsibility for the essential quality and competence of the units of local government which exist and operate in accordance with applicable state statutes.

2. Local government involves the discharge of legal responsibilities. The capacities and abilities of municipalities to accept and discharge responsibilities greatly varies. The review process offers an opportunity for the legislature to gauge the capacities of the local government to provide services throughout an annexed or expanded area.

3. The effect of the boundary change on the epople involved is a legitimate concern. As taxation is always the cental factor in annexation decisions, one should question if the levels of taxation can be related to levels of service to be offered and whether annexation, with its attendant tax burden changes, will contribute to a better sharing of the burdens and opportunities for local government throughout a metropolitan region.

4. The resultant relationship of the annexation on city/borough relations is also to be considered. The legislature may do well to consider whether fulfillment of the annexation will have an effect on the range of political, service and other relationships between the city and borough and whether, in the short-range and in the long run, those relationships will grow stronger.

5. The legislature has the opportunity to review the boundary change for compliance with proper administrative procedures. Was the hearing properly noticed? Were those in attendance given opportunity to comment? Did the Commission adhere to its own requirements? Etc.

HOUSE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

Matter of the annexation of territory to the City of Kodiak

January 29, 1979

YOU HAVE ASKED ME HERE BRIEFLY TO PROVIDE AN OVERVIEW OF THE ROLE ENVISIONED FOR THE LEGISLATURE IN ITS REVIEW OF AN ANNEXATION WHICH HAS BEEN RECOMMENDED BY THE STATE'S LOCAL BOUNDARY COMMISSION. THAT IS NOT AN EASY TASK. AND, WHILE MY REMARKS SHOULD BE UNDERSTOOD BY YOU TO BE LESS IN THE NATURE OF "RULES" THAT MUST BE FOLLOWED THAN THEY ARE "OBSERVATIONS" OR "SUGGESTIONS" THAT MAY BE CONSIDERED, I HOPE THAT THEY WILL HELP YOU TO FOCUS ON THE MERITS OF THE ARGUMENTS THAT ARE TO BE PRESENTED ON BOTH SIDES OF THE MATTER FREE OF THE EMOTIONALISM THAT IS CHARACTERISTIC OF VIRTUALLY EVERY SIGNIFICANT BOUNDARY CHANGE.

THERE IS A PURPOSE TO THIS PROCESS. IT IS A MANDATE OF THE ALASKA CONSTITUTION THAT THE ALASKA LEGISLATURE REVIEW AND CONSIDER BOUNDARY CHANGES FAVORABLY RECOMMENDED BY THE STATE'S LOCAL BOUNDARY COMMISSION. THE SOURCE OF THAT MANDATE IS ARTICLE X, SECTION 12, PART OF THE LOCAL GOVERNMENT ARTICLE OF THE STATE CONSTITUTION:

> A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective 45 days after presentation or at the end of the session, whichever

is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house.

THAT RESOLUTION, HOUSE JOINT RESOLUTION 10, OFFERED BY REPRESENTATIVE ZHAROFF, IS, OF COURSE, THE MECHANISM BY WHICH THE LEGISLATURE MAY EXPRESS ITS DISAPPROVAL.

OVER THE WEEKEND, I SPENT SEVERAL HOURS RESEARCHING ANY INFORMATION THAT WOULD SHED LIGHT ON WHAT WAS INTENDED BY THIS CONSTITUTIONAL PROCEDURE. I FOUND SIGNIFICANT COMMENTARY CONCERNING THE ROLE AND RESPONSIBILITY OF A PROPOSED (FROM THE PERSPECTIVE OF 1955-56) COMMISSION OR BOARD TO CONCERN ITSELF WITH DEVELOPMENT OF A LOCAL GOVERNMENT FRAMEWORK ADAPTABLE TO MEET THE NEEDS OF DIFFERENT AREAS OF THE STATE AND THE PRINCIPAL ROLE ASSIGNED TO IT OF REVIEWING AND TAKING ACTION ON CHANGES IN BOUNDARIES OF MUNICIPALITIES. TYPICAL WERE THESE COMMENTS, COMPOSED AFTER THE CONSTITUTION HAD BEEN DRAFTED BUT BEFORE THE PROCLAMATION OF STATEHOOD WHICH WOULD GIVE LIFE TO THE PROPOSED CONSTITUTION:

> The constitutional provision regarding local boundaries contained in article X, sec. 12, was written for the purpose of unfreezing municipal boundaries and making them readily adjustable to changing needs resulting from the growth and movement of population and from changes in the demands for local services. The section of the Constitution was <u>designed to overcome roadblocks which vested local interests and prejudices in small segments of natural communities often put in the way of a proper readjustment of local boundary lines.</u> . . .

FURTHER ALONG IN THE SAME DOCUMENT, THERE APPEARS THIS ADDITIONAL OBSERVATION:

> The basic assumption in this discussion of annexation is one which is implicit in the local government article of the State Constitution. The assumption is that worthwhile local home rule depends upon the thoughtful and courageous exercise of the state's responsibility for establishing and maintaining ... responsible self-government. The State cannot discharge its responsibility for local institutions by automatically ratifying the petitions or votes of any groups of local citizens that may happen to express themselves favorably or unfavorably with respect to ... annexation. To pursue such a course would result in such a conglomeration of local jurisdictions as would make a mockery of the whole concept of local self-government.

TWO POINTS, THEN, WITH REFERENCE TO THE MATERIAL QUOTED: FIRST, THE ADAPTATION OF LOCAL GOVERNMENT TO CONTINUALLY CHANGING CONDITIONS IS A CHARACTERISTIC OF ALASKA'S LOCAL GOVERNMENT SYSTEM; SECOND, THAT DECISION MUST BE TAKEN NOT BY THOSE IMMEDIATELY AFFECTED BUT BY A STATE AGENCY (THE LOCAL BOUNDARY COMMISSION) ON THE BASIS OF INDEPENDENT EVALUATION.

NOW, WHILE THERE IS A SIGNIFICANT AMOUNT OF MATERIAL ANALYZING OR COMMENTING UPON THE NECESSITY FOR AND PROPER ROLE OF A STATE BOARD TO REVIEW AND CONSIDER LOCAL BOUNDARY CHANGES, THERE IS VIRTUALLY NOTHING TO DESCRIBE THE PURPOSE OF LEGISLATIVE OVERSIGHT. THE COMMENTARY OFFERED BY THE DRAFTSMEN OF THE STATE CONSTITUTION IS UNENLIGHTENING. OTHER SOURCES, NOTABLY EFFORTS BY THE LEGIS-

LATURE AND THE COURTS TO FILL THE GAP, ARE USEFUL AS COMMENTARY, BUT OFFER NO FIRM RULES. LET ME OFFER, THEN, SOME OF MY OWN THOUGHTS.

YOU MUST UNDERSTAND, FIRST, THAT THE CITIES AND BOROUGHS OF THE STATE OF ALASKA ARE POLITICAL SUBDIVISIONS OF THE STATE -- CREATURES OF THE STATE, SOMEONE HAS CALLED THEM, AND, AS THE ELEVENTH BIENNIAL LEGISLATURE WENDS ITS WAY INTO HISTORY, AND YOU ARE CALLED UPON TO CONSIDER TESTIMONY ON ONE OR ANOTHER BILLS BEARING ON LOCAL GOVERNMENT STRUCTURE, FUNCTION, AND FINANCES, YOU WILL BETTER UNDERSTAND THE CHOICE OF THAT WORD "CREATURES." AS POLITICAL SUBDIVISIONS, THE CITIES AND BOROUGHS WHICH HAVE BEEN INCORPORATED ARE ESTABLISHED TO PERFORM PORTIONS OF THE STATE'S RESPONSIBILITIES FOR GOVERNMENT THAT THEY ARE CAPABLE OF PERFORMING. GENERALLY, THE MORE THAT CAN BE PERFORMED AT THE INSTANCE OF LOCAL OFFICIALS, WITHOUT DETAILED ATTENTION FROM STATE OFFICIALS, HOPEFULLY, THE BETTER FOR ALL CONCERNED. BUT THE STATE CANNOT ESCAPE RESPONSIBILITY FOR THE ESSENTIAL QUALITY AND COMPETENCE OF THE UNITS OF LOCAL GOVERNMENT WHICH EXIST AND OPERATE IN ACCORDANCE WITH APPLICABLE STATE STATUTES. THUS, THE LEGISLATURE'S ROLE -- FROM THE OUTSET, EVEN WITH RESPECT TO ANNEXATIONS -- IS ONE OF OVERSIGHT.

LOCAL GOVERNMENT INVOLVES THE DISCHARGE OF LEGAL RESPONSIBILITIES, BOTH THOSE THAT MAY BE ACCEPTED BY THE VOTERS OF THE COMMUNITY AND THOSE WHICH MAY BE IMPOSED BY THE STATE. THE LEGISLATURE SHOULD UNDERSTAND, AND I THINK IT DOES GENERALLY UNDERSTAND, THAT THE CAPACITIES AND ABILITIES OF MUNICIPALITIES TO ACCEPT AND DISCHARGE THESE RESPONSIBILITIES GREATLY VARIES. THUS, THE REVIEW PROCESS OFFERS AN OPPORTUNITY TO GAUGE THE CAPACITIES OF THE LOCAL GOVERN-

THE CASE BOOKS AND MEETINGS OF MUNICIPAL GOVERNMENTS ARE REPLETE WITH THE RESULTS OF LITIGATION, THREATS OF LITIGATION, AND REACTIONS TO LITIGATION AS CITIES AND BOROUGHS STRIVE FOR POLITICAL ACCOMODATION, IF NOT FOR POLITICAL BALANCE. IN THREE MAJOR URBAN AREAS, ANCHORAGE, JUNEAU, AND SITKA, THE PROBLEM HAS BEEN RESOLVED BY UNIFICATION. IN OTHERS, NOTABLY FAIRBANKS AND KETCHIKAN, MINOR BOUNDARY ADJUSTMENTS HAVE SERVED TO ACHIEVE THAT BALANCE. THAT SAME PROCESS MAY NOW BE UNFOLDING IN THE KODIAK ANNEXATION. THE LEGISLATURE MAY DO WELL TO CONSIDER WHETHER FULFILLMENT OF THE ANNEXATION WILL HAVE AN EFFECT ON THE RANGE OF POLITICAL, SERVICE AND OTHER RELATIONSHIPS BETWEEN THE CITY AND THE BOROUGH AND WHETHER, IN THE SHORT-RANGE AND IN THE LONG-RUN, THOSE RELATIONSHIPS WILL GROW STRONGER.

FIFTH, LASTLY, IS THE OPPORTUNITY FOR THE LEGISLATURE TO REVIEW THE DECISION OF THE LOCAL BOUNDARY COMMISSION FOR COMPLIANCE WITH PROPER ADMINISTRATIVE PROCEDURES. WAS THE HEARING PROPERLY NOTICE? WERE THOSE IN ATTENDANCE GIVEN OPPORTUNITY TO COMMENT? DID THE COMMISSION ENTER A DECISION ON THE RECORD? DID THE COMMISSION ADHERE TO ITS OWN REQUIREMENTS? PROCEDURAL COMPLIANCE IS IMPORTANT. AT LEAST ONE ANNEXATION OF THE COMMISSION HAS BEEN SET ASIDE BY THE COURTS FOR FAILURE OF THE COMMISSION TO ATTEND TO STATUTORY REQUIREMENTS. THE LEGISLATURE COULD SAVE TIME AND LITIGATION BY REFUSING AN ANNEXATION, NO MATTER HOW MERITORIOUS, IF THERE HAS BEEN A SUBSTANTIAL FAILURE TO MEET ADMINISTRATIVE REQUIREMENTS.

THE PART OF THE LOCAL BOUNDARY CHANGE PROCESS WHICH REQUIRES OR ALLOWS LEGISLATIVE REVIEW OF A BOUNDARY COMMISSION DECISION IS VERY MUCH A POLITICAL PROCESS. THE INQUIRIES YOU DIRECT TO

MENT UNIT INVOLVED IN AN ANNEXATION, TO SEE WHETHER THE CITY (AS IN THIS INSTANCE) OR BOROUGH (IF THAT WERE THE CASE) WERE CAPABLE OF PROVIDING SERVICES THROUGHOUT AN EXPANDED AREA.

NEXT, I BELIEVE THE LEGISLATURE MAY PROPERLY INQUIRE INTO THE ANTICIPATED EFFECT OF THE BOUNDARY CHANGE OF THE PEOPLE INVOLVED, PRINCIPALLY THE RESIDENTS OF THE AREA IN QUESTION, BUT ALSO THOSE WHO ALREADY RESIDE WITHIN THE UNIT OF GOVERNMENT AND WHO MAY SEE CURRENT SERVICE LEVELS DILUTED IN AN EXTENSIVE AREAWIDE EXPANSION OR, IN THE ALTERNATIVE, AN INCREASE IN THE TAX BURDEN. TAXATION IS ALWAYS THE CENTRAL FACTOR IN ANNEXATION DECISIONS, BUT IT IS ALMOST NEVER PROPERLY FOCUSSED. THE QUESTION IS NOT ONE OF TAX INCREASE THAT NORMALLY ATTENDS THE INCLUSION OF NEW TERRITORY INTO AN EXISTING TAX-LEVYING JURISDICTION, BUT RATHER, WHETHER, FIRST, LEVELS OF TAXATION CAN BE RELATED TO LEVELS OF SERVICE TO BE OFFERED AND, SECOND, WHETHER ANNEXATION, WITH ITS ATTENDANT TAX BURDEN CHANGES, WILL CONTRIBUTE TO A BETTER SHARING OF THE BURDENS AND OPPORTUNITIES FOR LOCAL GOVERNMENT THROUGHOUT A METROPOLITAN REGION, EVEN IF, AS IN THIS INSTANCE, THE METROPOLIS IS ONLY THE SIZE OF "GREATER KODIAK."

FOURTH, I WOULD SUGGEST AS A FACTOR OR ELEMENT WARRANTING LEGISLATIVE EXAMINATION IS THE RESULTANT RELATIONSHIP OF THE ANNEXATION ON CITY/BOROUGH RELATIONS. IN TWO DECADES, IT HAS BECOME RATHER CLEAR THAT THE THEORETICAL DIFFERENCES PERCEIVED BY THE FRAMERS OF THE CONSTITUTION WHICH WARRANTED A CONCLUSION ON THEIR PART THAT THERE BE TWO TYPES OF LOCAL GOVERNMENT -- THE CITY AND THE BOROUGH -- GIVE RISE TO OTHER DIFFERENCES IN PRACTICE. CITY-BOROUGH RELATIONSHIPS THROUGH THE LAST 20 YEARS CAN ONLY BE DESCRIBED AS "STORMY."

THE PERSONS WHO APPEAR BEFORE YOU MAY BE AS BROAD, AS IMAGINATIVE, EVEN AS UNRELATED TO THE PARTICULARS OF THE SUBJECT MATTER BEFORE YOU AS IT IS POSSIBLE FOR THEM TO BE. THERE ARE NO LIMITATIONS ON WHAT YOU MAY REQUIRE: THERE IS BUT ONE THING THAT YOU MAY DO -- THE RESOLUTION OFFERED BY MR ZHAROFF IS THE VEHICLE FOR ANNULLING THE RECOMMENDED ANNEXATION IN ITS ENTIRETY; YOU CANNOT REDRAW THE LINES. (THAT IS NOT TO SAY THAT, IN THE EVENT YOU CHOOSE TO RECOMMEND ANNULMENT, YOU CANNOT ADOPT THE RESOLUTION OF MR ZHAROFF BUT, AT THE SAME TIME, REQUIRE THE COMMISSION TO RECONSIDER SPECIFIC BOUNDARY CHANGES OF THE CITY, SPECIFYING THE AREAS OF YOUR CONCERN. ALTERNATIVELY, IF THERE ARE AREAS WHICH THE BOUNDARY COMMISSION EXCLUDED FROM ANNEXATION BUT WHICH YOU BELIEVE SHOULD BE RECONSIDERED FOR INCLUSION, YOU MAY DIRECT THAT, BY RESOLUTION, TO THE ATTENTION OF THE COMMISSION.)

NOW, I DON'T KNOW WHETHER THESE MUSINGS FULFILLED THE INTENT OF THE CHAIRMAN IN EXTENDING AN INVITATION FOR ME TO SIT IN THIS CHAIR. BUT I HOPE IT CONTRIBUTES SOMETHING TO YOUR DELIBERATIONS , AND THAT IT MAKES THIS EFFORT AT LEGISLATIVE REVIEW MORE MEANINGFUL TO YOU. I DON'T ENVY YOU THE TASK.

IF THERE ARE ANY QUESTIONS WITH RESPECT TO ANY OF THESE POINTS, I WILL TRY TO RESPOND.

THANK YOU.

Extended Home Rule

SECTION 10. The legislature may extend home rule to other boroughs and cities.

Home Rule Powers

SECTION 11. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Boundaries

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

Agreements: Transfer of Powers

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

Local Government Agency

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

Special Service Districts

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

KODIAK ANNEX.

Kodiak

Put note in file that

Sen Murkowski out of country
Feb 16 p.m. to Mar 1 a.m.

1/23/79

Fully Kodiak
Dare

Joan Katz (atty - Anchorage)
represents Kodiak Borough

abuse of discretion in Kodiak Borough

On behalf Borough
alleges

(1) Residents shared same opinion
of voting

(2) can supply services through
service districts

(3) Economic justification lacking.

Jean will send a brief on
case.

(1) Notify Gene to put Jean on
list of people to contact
(2) Put this in Kodiak
Annex attorney file

2/5/78

FROM:
Sen. Mulcahy's Office

William Dulen, Kodiak,
called & wants to testify
at Ft. ~~Kodiak~~ Public
Hearing.

Letters to the editor

Dear Editor:

This letter is to all the people of Kodiak in response to some of the views expressed against annexation. In no way are all of the people against annexation. Some of us would like orderly development at a reasonable cost. This is not assured us with the borough goverment and a variable assortment of service districts. The first implementation of the borough goverment was not designed to take over existing or to overlap goverment systems already operating. It was really meant for the boondocks and Kodiak can hardly be called that as we do have a good school system, supermarkets, road systems, radio station and TV, without mentioningg other types of business which were well established when the borough came into existence

A few facts that might be interesting to all: Number one-practically every employed person is within the city limits or on the Coast Guard base. Number Two-we pay a 7 mil base in the borough plus a 2 mill fire service tax. Bell Flats pays another 7 mills for road service which comes up to 16 mills. Any other service that the borough might provide will put this tax over and above any you might be paying in the city. Number Three-We who live in the borough and operate businesses in the city do not have any say as to who and what rules govern us. Cliches have been passed back and forth but this is real taxation without representation.

A benefit of being in the city will be to assure that [illegible] us will be voting for [illegible] same people. Some will say "Why don't you move back into the city?" I want to say to all that I am a life long resident of Kodiak with a lot of years of public service and consider this is all one and the same area. Also I am a native with a heritage that goes back many many years.

Number Four-If the people who are flagging the cost of moving into the city would examine the cost of our borough goverment, especially the statements of the borough officials on this forthcoming land sale which reflects their daily operating procedure, I would say many thousands of dollars are poured down the tube annually.

I would like to mention at the last that these Pied Piper tactics should be a thing of the past. There are enough responsible and sensible people living in the borough who should look closely and think for themselves. Those who are residing in the borough and are concerned about services to be had, and are concerned about dollars and cents, should not listen to opinions but look and find out the hard facts as to to who can provide the services at the most reasonable cost.

If you are not concerned about these facts and are only being led down the road by people who hold animosity for the city, then a few years from now if you are still here we will not expect you to holler ouch, if annexation does not become a reality.

Very truly yours,
Emil Norton

1/30/79 4:00

Mr. Dodd Shay would like to set up a meeting following our hearing in Kodiak with:

Mr. Denslow
Mr. Marvin Frost, Afognak Native Assoc. Mgr
and himself

to meet with joint C/RA committees on

Development Cities Act, etc.

If we are agreeable, Mr. Denslow will set up the meeting.

Mr. Shay will call us back Feb. 1 (tomorrow) at 1:15 our time for confirmation..

~~He has~~
The above people are interested and represent all sides of the questions.....

T—

Why - if we would be agreeable to meet - if time permits.

Letters to the editor

Dear Editor:

I, as Kodiaks unofficial ombudsman, wish to share with you and other fellow Kodiakans a few reflections and conclusions on a current matter pertinent to the well being and progress for Kodiak in the years to come, namely the annexations of Spruce Cape, Island Lake, and Mill Bay, known as area 1, 2 & 3.

First, I wish to say I am a member of the Annexation Committee, and concurred for the final approval and recommendation of the annexation of the aforementioned areas after much study and evaluation. There is a very vocal minority that is attempting to retard and stifle the growth and progress of Kodiak.

Even though conditions of annexation of the various areas as required by the area some years ago have been met and better, the vocal minority continues to object on the grounds that the method being used to annex the areas is objectionable.

The argument at the boundary commission hearing here in Kodiak was that, unification was the answer, or that the borough could and would supply services through service districts.

Both were voted down in the past election, so where do we go from here? The borough claims to be able to furnish the services we need just as cheaply as the city. Can they?

I say no, you judge for yourself. In Bells Flats the residents pay 7 mills to the borough, plus 7.2 mills for road service such as it is, making a total of 14.2 mills. The mill rate in the city is 16.2 for all services. Anyone can see that all services under service districts, road, water, sewer, fire, and police, would cost much more than the 16.2 mills in the city.

If you will search the minutes of about 2 years ago, when Bells Flats was requesting a cost estimate from the borough for all services it came up to approximately 26 mills. Considering the inflation factor, two additional years would reach the lawful limit of 30 mills, for the same service.

Our senator and representative have just left for Juneau with a pledge to voice the sentiments of the majority. The bottom lines of all of this is (that) the vocal minority objectors, headed by my friend, Okey Chandler, are not representative of the majority of 2,000 people in the proposed annexation area or the 6,000 in the city.

As I am unable to devote as much time to passing petitions as Mr. Chandler, I am determined to have a true show of hands. Please help by filling out the signature form in this issue and mail it to our box. Any questions, please call. You that can and will, write letters to our representatives.

Thanks,
Bob Brooks

...Editor's note: The following letter, addressed to the Department of Commerce and Economic Development, was given to The Mirror for publication.

Dear Sirs:

Recently, I found it necessary to seek medical attention for the first time in well over a year, only to discover that my Blue Cross card was not acceptable at either the North Pacific Medical Center (Brockman & Halter), nor the Kodiak Island Hospital. Although I had proof of coverage, I was told I would have to pay cash and process my own claim at the doctors and the hospital...they offered to mail my claims in but wanted my money RIGHT NOW!

It is obvious that the doctors can eliminate a bookkeeper this way, thereby reducing their overhead by $1,000 to $1,200 a month, but the hospital excuse (given by a young girl at the admittance desk) was that the insurance companies were taking too long in processing claims and they wanted their money NOW.

My questions are: is this legal? If so, what happens to those who are unable to produce cash but are insured? Many cannot. Are these people refused medical care? Is this the reason so many local residents are going to Anchorage or Seattle for their medical problems?

I am told that in Anchorage you pay the first $50 and the rest is collected from your insurance company...I know from experience that in the Seattle-Tacoma area all you need is your (in my case) Blue Cross card and you are taken care of.

I have taken a dim view of any kind of socialized medicine in the past, but I am convinced that if Carter doesn't accomplish anything else, a national health plan would make him a more popular president an undoubtedly create a healthier nation.

Sincerely,
Barbara Miner

Fishermen make protest

Annex debate refused

By DEBORAH NELSON
Mirror Staff Writer

A challenge was made more than a week ago by Bob Brooks, pro annexation, to Dick Juelson, anti annexation, to debate the flaming annexation issue over the radio. Juelson has refused the challenge.

"I don't see any point in debating the issue in Kodiak," Juelson told The Mirror. "I would rather do my debating in Juneau than in Kodiak."

However, both the Senate and the House committees on Community and Regional Affairs have since announced they are coming to Kodiak in a few weeks for the specific reason to obtain input from the Kodiak community.

Brooks, a borough resident on the city's committee for annexation, said he challenged Juelson to the debate "to get the whole spectrum of the thing in the open." Brooks declared that "there are many erroneous things being aired by the anti annexation group, and I wanted to get it out in the open."

Both Brooks and Juelson said they plan on going to Juneau to lobby for contradicting sides of the issue. Juelson said he has been in close contact with Sen. Bob Mulcahy and Rep. Fred Zharoff, and he said he expects the legislators to inform him as to the best time to appear in Juneau.

"The issue was decided last spring before the people of the affected area or the city could speak on it," and Juelson. Since the Boundary Commission has taken the annexation issue out of local hands, Juelson said, the only alternative for those opposed to annexation is to petition the legislature.

Juelson said so far over 500 people in the affected area have signed the petition opposed to annexation. Juelson said there are approximately 800 voters in the affected area, "so we have well over half of the voters in that area," he said. Over 300 city residents have signed a petition against the proposed annexation, Juelson said.

Okey Chandler, who has been circulating anti annexation petitions, said that over 95 percent of those living in the affected area have signed the petition when it was presented before them. "Half of the other five percent wouldn't sign for religious reasons," said Chandler, "and the other half wouldn't sign a petition no matter what it was. They wouldn't sign a reprieve to keep their mother from hanging." Chandler said he expects to attend the legislative session to lobby against annexation, and to lobby for the upgrading of the Anton Larsen Bay Road.

(Continued on Page 2)

1-31-79

Annex

(Continued from Page 1)

In his quest to "get the truth about annexation to the people," Brooks has circulated flyers at his own expense to inform residents of the city's position concerning annexation. Brooks is also circulating petitions in favor of the annexation at his own expense.

Brooks expressed his frustration with the apathy of citizens concerning issues he feels they should be taking an interest in. "Unless something is really taking the salt out of their beans today, people couldn't care less."

Annexation
The present area prop[illegible]d for
(Continued on P[illegible]ge 8)

Letters to the editor

Dear Editor:

I strongly object to the City's misuse of the annexation committee. When the City Manager Dick Berg asked me to serve on the committee, he assured me that it would not be asked to take a stand for or against annexation.

According to Mr. Berg at that time, the function of the committee was to decide what services would be needed from the City if annexation occurred. The City Mayor appointed six members to the committee; none of the members were elected by the residents of the area to be annexed.

Since that time, the committee has been pressured to favor annexation, and the committee and its recommendations have been portrayed as being representative of the residents of the area. Growing interest in Borough Residents for Autonomy, a group of area residents opposed to annexation, points in the opposite direction — to strong resident sentiment against forced annexation.

I also object to the false picture painted by the City's publication on annexation. In addition to containing a number of misleading statements, the publication presented differential tax zones as an existing fact. The use of differential tax rates in the area to be annexed is only a recommendation of the annexation committee. The City Council decides tax rates, and the City Council has no obligation to accept the committee's recommendations.

I am opposed to annexation. I fear the City is far more interested in increasing its population and thus its bonding capacity than in providing services to our area. I intend to write the House and Senate Committees on Community and Regional Affairs, the Speaker of the Alaska House of Representatives and the President of the Alaska Senate to urge them to reject this forced annexation. I urge all other concerned citizens to do the same.

Sincerely,
Nick Szabo

Letters

(Continued from Page 3)

annexation to the city as well as additional areas which could be proposed for annexation in the future must be considered as part of the problem of available land for expansion. At present, annexation is the only method for obtaining the utilities and services in the outlying areas which many people feel are mandatory before they will build, and construction of these utilities through residential areas is the only way in which presently zoned potential industrial land can be developed. Industrial land, unlike residential, cannot be developed unless it is serviced by utilities specified by environmental protection laws.

The city tax base is the basis on which bonded indebtedness for utility construction is approved and paid for. Therefore unless annexation is approved, a major revision in state statutes will be required to allow for the orderly expansion of the economic base of the community.

The Chamber firmly believes that duplication of facilities and/or creating additional local government costs is not a viable alternative to annexation.

Commerical Air Service

NOTE: If additional information on any of these subjects is desired, we will be most happy to supply it.

Sincerely,
Kodiak Area Chamber of Commerce
Denny P. Lavigne, president

classified

LETTERS

(Continued from Page 4)

tion with the mailing; of which someone may have to pay when this is all over. Also, on tax levy after a annexation — "The City could set any mill rate." They won't because the City Council passed unanimously a resolution at their meeting of January 11th of concurring with the recommendations of the Committee and as proposed by the City of 100 percent Zone 1, 75 percent Zone 2, 35 percent Zone 3. "Lower insurance rates would require a fire substation and fire hydrants." Partly true; hydrants yes, substation no. Spruce Cape is now rated same as the city with fire hydrants only. "New trailers will not be allowed in the Annexed areas." An outright lie; or an uninformed statement. The City Council accepted and passed in the forementioned resolution a six year phasing out and Grandfathering in all trailers at that time as recommended by the Annexation Committee. "Cost of government will increase. The Borough will continue its present function and its size won't decrease." To this I say — if annexation becomes a reality, I shall lend my support to seeing that the Borough government size fits the services required of them by pressing for the elimination of any and all duplication of government where it is indicated or pushing for a Proposition 13 which can and will cure all.

The remaining five misleading statements will be answered at a later date.

If any of you would like my answer to them, the remaining five, feel free to call me anytime.

Sincerely,
Bob Brooks

RECREATION

(Continued from Page 3)

p.m. and 6:30 to 7:30 p.m. every Monday, Wednesday, and Thursday evening through Mar. 29. Classes are held in room

LETTERS:

Bob Brooks disputes views of Nick Szabo

(Editor's note: The following letter to the editor has been edited slightly by the editor. Although it still exceeds our 500 word limit, it is printed as a courtesy to Mr. Brooks.)

Dear Editor:

I wish to respond to Nick Szabo's letter to the Editor on January 9th stating his objections of annexation of the three areas recommended for annexation by the Boundary Commission and subsequently by the Annexation Committee which Mr. Szabo was asked to serve on.

After reading Mr. Szabo's letter, I was appalled with disbelief which quickly gave way to outrage and anger. I feel Mr. Szabo's outburst at best, reflected a bias and uninformed attitude. Being a member of the Annexation Committee myself, I consider Mr. Szabo's babblings a non-deserving reflection on the whole committee consisting of five outstanding and dedicated citizens excluding himself; who have an unimpeachable history of service to this community namely: Bob Waage, Chairman, Emil Norton, Marian Johnson, Pete Resoff, myself and Mr. Dick Berg as a consultant. To infer that Mr. Berg could or would attempt to pressure or sway either of these people, especially me, one way or another from our objective views or conclusions on any matter affecting the welfare of this community as a whole, is unbelievable. Until now, I had always considered Nick Szabo an outstanding young progressive, with a solid head between his shoulders, with much to offer, and a real sense of responsibility. His overt attempt to malign the committee, Mr. Berg and all other city officials that are involved in any way with the subject of annexation without any foundation whatsoever, prompted this prognosis by your's truly.

I feel compelled to offer this rebuttal, not for the sake of people that have resided in Kodiak for many years, as they know the contributions each of these people have made and what they stand for. As I believe my philosophy on reputation is a fact — "In a large city, reputation is what people think you are; in a small town, such as ours, reputation is what people know you are." For those of you that are new arrivals or who seldom bother to keep abreast of local affairs, let's examine the facts.

Mr. Szabo charges pressure on committee members to favor annexation. The committee's function as I understand it to be was to offer input of needs of the various areas and study the city's proposals, recommend changes or improvements, working for the most benefits available for the proposed areas if and when annexation is a reality. In no way could the feeling of the Annexation Committee, as a body, bring about or cause to be brought about, annexation. The fate of annexation is totally in the hands of our legislature. Only as an individual can we voice our preference, of which I am doing.

Mr. Szabo also objected to the false picture especially concerning differential tax zones: again, this shows Mr. Szabo had no concept of just what the function of the Committee was. If Mr. Szabo had studied the City's report, even casually, he would not have made such a statement. Why do I say this? He or anyone else would have read "Public Meeting." These ideas are proposals and the City need your input. A public meeting with the Annexation Committee."

I ask Mr. Szabo how can a proposal be false or misleading? The Committee's function was to evaluate, suggest changes which they did. I'll mention just two impact ones. Zone No. 3 mill rate reduced from 50 percent to 35 percent, the grandfathering out trailers was extended to six years from two years. If Mr. Szabo had attended more than the one workshop meeting of the Committee than he did, may be he would have made more of a responsible report, or would he? On received the mailing of the Borough Residents for Autonomy. I am convinced Mr. Szabo accepted the appointment with full thought of using the fact to lend credence to the propaganda he planned to spread to bolster his cause of defeating annexation. I believe Mr. Szabo, or anyone else, has a right to object to annexation and work to that effect but, with facts and truth, not with erroneous statements and outright propaganda. Noting Mrs. Pat Szabo as one of the Committee of the Residents for Autonomy, substantiates the forementioned allegations, while Mr. Szabo poses as an objective Committeeman concerning annexation, Mrs. Szabo is a Committeeman of the Anti Annexation Committee. I think it cute but funny.

In closing, I wish to comment lightly on the Mailing of the Residents for Autonomy "Can we afford forced Annexation?" I suspect a very illegal act was committed in compos-

(Continued on Page 23)

Additional letters on Pages 6 & 8 today

KADIAK TIMES

Alan and Connie Austerman ..... publishers
Pearl Bradley ..... assistant publisher & executive editor
Dennis Johnson ..... city editor
Neil Waage ..... fisheries editor
Jan Brooks ..... advertising director
Chad Sayer ..... cartoonist/printer
Ray Linscheid ..... graphics artist
Kathleen McHenley ..... layout
Lynne Campbell ..... darkroom & layout
Connie Murray ..... typesetter

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Borough engineer quits; says city can handle area problems, no need for borough

by KENT BRANDLI
Editor

With a blast at inefficiency in local government, and questioning the very need for the Kodiak Island Borough, Borough Engineer Bob Marmaduke has resigned effective today.

Marmaduke, in a letter to Borough Mayor Betty Wallin and members of the assembly said he has found another job on the mainland.

Borough Planner Harry Milligan told Kadiak Times a replacement will be sought. Marmaduke had been on the borough staff just short of a year.

Marmaduke said he resigned with regret, "As I have enjoyed my term of service, the beauty of the island, and the hard-working honesty of the native population."

In his letter of resignation, the young engineer said he felt "The borough is too little, too late."

"The borough is too little, too late. The City of Kodiak has the necessary infrastructure and the necessary competence to handle the island and its government, with the aid of the consultants now being used by the borough. . ."

The City of Kodiak has the necessary "infrastructure," (the underlying foundation or basic framework of a system or organization -- such as public utilities) and the necessary competence to handle the island and its government, with the aid of consultants now used by the borough, Marmaduke commented.

The engineer observed that "Perhaps, as is said, people seek no efficiency in government, but drama in inaction..."

Marmaduke told the mayor and assembly that if they would examine the relative costs, "A borough engineer, secretary, and related budget items are no more cost-effective than a consulting engineer, now that the Supreme Court allows competitive bidding among professional engineers..."

Marmaduke was not in Kodiak Wednesday and was unavailable for further comment.

A secretary said he was no longer employed by the borough.



BOB MARMADUKE

NBA magazine features Kodiak

"Interbranch," a new monthly publication of the National Bank of Alaska, takes a look at Kodiak in it's first edition, dated October, 1978.

The article, which calls Kodiak "Alaska's Fishing Capital," features photos by Dan Konigsberg, Steve McCutcheon and Jerry D. Martini.

The magazine, published primarily for the bank's employees and directors, features color photos of local bank employees in front of the small boat harbor and Baranof Museum.

The article says the National Bank of Alaska is the largest bank in Kodiak, dating back to 1960 when the Bank of Kodiak merged with NBA. Jim Payne is Kodiak branch Manager, and Charlene Landes is assistant manager. The bank employs a staff of 20.

LETTERS

Shuyak as it is, not for timber

Dear Editor:

Several weeks ago I sent in a note on Shuyak Island stating I would favor a wildlife sanctuary. I should have added more to that as I was just thinking about the bird life and animals, and of course, the Island as it is now. There are a few people that make their living and live on Shuyak. As they have chosen such an out of the way place to live no doubt there are others that would like to make their homes there. If I was younger, and had no land or place to live I would settle on Shuyak liking a quiet place to live just like those young people that live there now. I would not favor a ferry boat stop on Shuyak and no game hunters. It would not be a sanctuary if that was allowed. I wrote a short story for the Kodiak Mirror several years ago on Afognak Island and it becoming a stump ranch. This has worked out just like I predicted in that story.

I note there are advertisements in local papers "we care" by the logging Co. We care for what? All that good timber cut to make toilet paper. I believe in timber harvest select cutting not like clear cutting like what is going on on Afognak Island. Why isn't there some arial pictures on this cutting?...to give the Kodiak people an idea of what is going on. I believe on timber cutting by small saw mills for local use. I read where the Kodiak Borough is interested in Shuyak Island as a revenue source. Doesn't the Kodiak Borough have any bounds for such greed? I can see people living on Shuyak in home site lots, but cutting the timber on Shuyak — NO! It would not be Shuyak Island with the timber cut off. I would rather see it deeded back to the Russians than the Kodiak Island Borough having any'ain' to do with Shuyak Island. If the borough is in need of a place to set up their dwellings I would suggest the Chiswell Islands or Gianit Cape.

I hope this clears things up with the young people that call Shuyak Island home. I know Shuyak Island is in good hands with the quiet people that live there and others like them that will make it their home.

Regards,
/s/ Ed N. Opheim, Sr.



Island Insurance may help you save.

Looking for value in insurance for your home, your car, your health, your business, your life?
Your money can't buy better protection.
Call me. Allstate

See or phone

Island Insurance, Inc.
202 Center Street
Island Professional Bldg.
486-5705

Allstate Insurance Companies.
Allstate Life Insurance Company

FINAL NOTICE!

PLEASE TAKE NOTICE that all CRAB POTS stored on and around the old drydock on the west side of Womans Bay (Mile beyond the Coast Guard Main Gate) are on private property and without permission to be there.

To facilitate proposed repairs and construction of the drydock, it is necessary that all these illegally stored crab pots be removed by their owners from the area immediately.

Crab pots still in the area after November 15, 1978 will be removed and owner may claim by identifying and paying all costs associated with removal and damages. Unclaimed crab pots will be disposed of in accordance with law.

For further information call:

Hank Eaton
Koniag, Inc.
486-4147

February 1, 1979

The Community & Regional Affairs Committee
Fred Zharoff: Representative
Pouch, V.
Juneau, Alaska 99801

Dear Fred,

We live in the Spruce Cape area, that is up for annexation and we wish to convey these facts to you. Even though a number of us in this area is not vocal as some of the anti annexation crowd, we feel the unifying of our area, Island Lake and Millbay is the only practical way to bring about the improvements that is sorely needed and shall be expecting, your effort toward the conclusion, that will benefit the areas as a whole.

It is said you indicated in conversation with two or more people on your departure, that you agreed that annexation was our last and best hope at this point, but you felt you owed a political debt, to certain election support. We would feel that you would be doing a great disservice to the whole community if your efforts reflected these facts.

Sincerely,

_____

_____

_____

_____

_____

c.c. to: Clem Tillion — Pres. of the Senate
Bob Mulcahy — Senator, Vice Chairman of Committee
Arliss Sturgulewski — Chairman of the Committee

Terry Gardner — Speaker of the House

February 1, 1979

The Community & Regional Affairs Committee
Bob Mulcahy: Senator, Vice Chairman of Committee
Pouch, V.
Juneau, Alaska 99801

Dear Bob,

We live in the Island Lake area that is up for annexation. We have this to say. Our area is in bad need of sewer and water, as we are sure you have been aware of.

After considering what it could cost under a service district using Bells Flats area as an example, where a service district for minor road service cost, 7.2 mills, for a total of 14.2 mills in the bouough we fell that annexation to the city would be far cheaper at 16.2 mills for all services.

Sincerely,

_____

_____

_____

_____

_____

_____

c.c.to Clem Tillion — Pres. for the Senate
Arliss Sturgulewske — Chairman of the Committee

Terry Gardner — Speaker of the House

Kodiak annexation

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 22, 1979

Chairman, Senate Committee on Community and Regional Affairs
Pouch V
Juneau, AK 99801

Dear Sir;

Although time is running short this letter is intended to bring about some action on the part of the State Legislature to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

Another pertinent fact is that the area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one third of the land area is undeveloped.

City services are not required in this area. Fire protection is presently provided through a service district; roads are presently State-maintained or privately maintained; police protection is provided by the State Troopers; water is presently available to the majority of the area and is paid by user fees; sewers can be provided through service districts in those areas where sewers are needed.

We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,

Ron Matsuoka

Melissa Newton

cc: Chairman, Senate Committee on Community and Regional Affairs
Chairman, House Committee on Community and Regional Affairs
President, Alaska Senate
Speaker, Alaska House of Representatives (copies for the Senate and House enclosed)

1/31/79

Dear a/ Sheila Gallagher

Sheila has commitment on Tuesday 6 pm - can't change
Reg Strandberg / CD Bethesda would make presentation
but she opposed annexation - very strongly - Feels petition
would be difficult for him to gain [illegible] The
will ask CD Bethesda Democrats vote
against this [illegible] Annexation should be given by
[illegible]

Remarks by Chair — Motion for St Jos
Feels no Local Bdry Com — [illegible]
" is [illegible] City
" is Borough
~~Not entitled by City~~

Community Legal Office [illegible]
[illegible] would like to [illegible]
[illegible]
Feels no Should have [illegible]
OK ~~4~~

1/30/79 [illegible]
[illegible]
[illegible]
[illegible]
[illegible]

LA11 1997 14.13 JA01 0035 14.27 02/05/79

TO STELLA JNU
FR CHARITY ANC

WOULD YOU PLEASE INFORM SEN. STURGULEWSKI AND REP. PARKER
COMMUNITY & REGIONAL AFFIARS COMMITTEE CHAIRMEN THAT WWE
HAVE MAILED 24 PACKETS TO THOSE LISTED ON THEIR MAILING LIST.
FOR THE JOINT C&RA FEB. 10 MEETING.
THE PACKETS CONTAINED* JOINT HEARING COVER LETTER
AGENDA
COPY OF LOCAL BOUNDARY JOURNAL SUPPLEMENT
RE: KODIAK
SJR 12
HJR 10

THESE PACKETS WILL BE PICKED UP AT 2 A.M. ANCHORAGE TIME.

1/29/79

NOTES FROM MEETING WITH MARGE GORSUCH

Mr. Parker feels a driving tour should be arranged.

Marge felt Stu Denslow, Bor. Mgr., and Gary Stevens, ~~City Manager,~~ mayor should be contacted first. Get best contact name from them for assistance in

✓ 1. setting up Bor. Assembly Room, checking on tape recorders, etc.

✓ 2. local advertising - newspaper(s), radio(s), t.v. scanner, etc.

3. People asked to testify should definitely include:

Joan Katz, Borough representative/ City attorneys — Boro Rep. — [illegible]

4. PROCEDURE: Per Jan Quinn, no buget requirement on phone calls per committee. Cost can be split or assumed by one committee. Up to Chairmans.

Per travel, advertising, etc. again one committee can assume all cost, or can be split. There is no set $ limit per Committee, etc.

SENATOR: One requirement for you is to send a written memorandum to Tillion stating dates of travel for your Committee, the purpose of the trip, who will be traveling, dates involved, and that expenses connected therewith would be:

1. travel, per diem, advertising, possible car rental, etc.

Whoever talks to Denslow and Stevens should inquire about:

Place; best time after our 10:20 arrival (early afternoon) for actual hearing; driving tour (before/after hearing) and best way to go - rentals cars, bus, or would something be provided by City/Boro.? etc..

Addit'l people to notify: AML/Dept. C/RA/

[illegible]

OIC not found 1/30/79 a.m.

Mulcahy 3766 - 3895 "

Barbara AA

OIC not found 1/30/79 a.m.

Zharoff 4951 - 4986 "

community college

c. 486-416 left message

486-4441

Kodiak City

Stevens (Mayor) 486-3224 "

Flew

Hrbacek 1/30/79

Kutz - 274-7634 1/30/79

[illegible] - 271-3576 gave info to mom

[illegible] 276-1647

gave info. 1/31/79

****

KODIAK

P.O. Box 1397
Kodiak, Alaska 99615

Home Rule City

Phone: (907) 486-3224

INCORPORATION DATE: September 11, 1940
POPULATION: 4,960
REGULAR ELECTION: First Tuesday in October
SALES TAX: 3%
CITY COUNCIL MEETS: Second and fourth Thursdays of each month

MAYOR: Gary Stevens 1979

CITY COUNCIL MEMBERS		MUNICIPALLY OWNED UTILITIES
Toni Eaton	1979	Water
Gaynell Hatcher	1980	Dock
Carol Lechner	1979	Sewer
Ernie Mills	1981	Ferry Terminal
Wilton White	1981	Boat Harbor
Dave Woodruff	1980	

CLERK.....Libby Presnall
FINANCE DIRECTOR.....Harry Hyde
MANAGER.....Clair Harmony
CHIEF OF POLICE.....Jack Rhines
FIRE CHIEF.....George Magnusen
HEALTH OFFICER.....State Sanitarian
EMERGENCY PREPAREDNESS DIRECTOR.....Clair Harmony
PORT DIRECTOR.....George Cutrell
HARBORMASTER.....George McCorkle
ENGINEER.....John Stafford
WATER & SEWER SUPERINTENDENT.....Herman Beukers
PARKS & RECREATION DIRECTOR.....Ian Fulp
PURCHASING AGENT.....Carolyn Thomas
LIBRARIAN.....Elizabeth Carroll
BUILDING INSPECTOR.....Morris Lee
ATTORNEY.....Cole, Hartig, Rhodes, Norman and Mahoney

KODIAK ISLAND BOROUGH

P.O. Box 1246
Kodiak, Alaska 99615

Second Class Borough

Phone: (907) 486-5736

INCORPORATION DATE:	September 24, 1963
POPULATION:	8,926
REGULAR ELECTION:	First Tuesday of October
SALES TAX:	None
ASSEMBLY MEETS:	First Thursday of each month

MAYOR: Betty Wallin 1979

ASSEMBLY MEMBERS

Dr. Michael Emmick	1979
Edward Jack	1980
Sandra Kavanaugh	1979
Arnold Hansen	1981
James Peotter	1980
William Fearn	1981
Danforth Ogg	1981

BOROUGH POWERS

Areawide: Education, health, planning and zoning, assessment and taxation. Non-areawide: Fire districts (2), parks and recreation.

Service areas: Road maintenance.

PLANNING AND ZONING COMMISSION

Ron Ball	1979
Dan Busch	1979
John Pugh	1979
Gene Erwin	1980
Tom Perez	1980

SCHOOL BOARD

Stan Baltzo	1980
David Crowe	1979
Joan Johnson	1979
Louise Collins	1981
Jim Olson	1981
Fran Flick (non voting rep)	

MANAGER.....Stuart Denslow
CLERK/TREASURER.....Shirley "Mickie" Miller
HEALTH OFFICER.....Harry Brighton
PLANNING DIRECTOR.....Harry Milligan
SUPERINTENDENT OF SCHOOLS.....John Anttonen
ATTORNEY.....Richard Garnett
ASSESSOR.....Edwin Haney
ADMINISTRATIVE ASSISTANT.....Marilyn McKinnon
BUILDING OFFICIAL.....Bryce Gordon
ENGINEER.....Robert Marmaduke III
HOSPITAL ADMINISTRATOR.....Robert Groff

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM

23 January 1979

SUBJECT: Request for Video Teleconference Proposals

TO: Committee Chairmen and House and Senate Leadership

FROM: Myrton Charney, Executive Director
Legislative Affairs Agency

The Legislative Teleconference Network will be scheduling twelve two-way video conferences during this session. This year, you will have a considerable amount of flexibility in selecting and scheduling the sites that you wish to participate. The State-leased satellite will be available on Thursday of each week for use by the network.

The first two video conferences of the session have been scheduled for February 15 and February 22. The locations have been pre-selected due to some technical delays in certain other communities. Normally, you will be able to select the communities of your choice. These two video conferences are scheduled as follows:

Date	Communities	Mode
February 15	Juneau, Anchorage, Fairbanks	two-way
February 22	Juneau, Nome, Bethel	two-way

Subjects of high general interest are sought for each video teleconference. Your consideration (no matter how tenative) of pending legislation, or subjects of broad public appeal for video conferencing, both now and as the session progresses, will help this agency assure public interest and participation.

Please make you choices known to the Network Coordinator's office, Room 505 - Capitol, at 465-4980.

Also, please contact us if you or your staff have any questions.

Enc: Teleconference communities (audio and/or video capability)

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM

24 January 1979

SUBJECT: Teleconferencing

TO: All Legislators

FROM: Myrton Charney, Executive Director
Legislative Affairs Agency

The audio teleconference circuit that is provided by the Legislative Teleconference Network is now in operation. Legislators wishing to make use of this system to communicate with constituents in the following communities are urged to contact the coordinator's office, Room 505 - Capitol, at 465-4980:

Anchorage		Kodiak
Barrow		Kotzebue
Bethel		Nome
Fairbanks		Sitka
Ketchikan		Soldotna

6 locations in capital

7 days a week

3 day lead time audio — telecopier capability — unlimited time

12 mly Teleconference — time / budget constraints.
video — need at least 2 mnths to / month. 4 hour limit.
— available at any time
Interim Committee.

Leg. Com.

Two way w/ Kodiak incl video cannot be March 1st
1/25 - 45 days March 10

LEGISLATIVE TELECONFERENCE NETWORK

Participating Communities

Community	Audio conference availability	Video conference availability
Anchorage	yes	two-way
Barrow	yes	two-way
Bethel	yes	two-way
Fairbanks	yes	two-way
Ketchikan	yes	receive only
Kodiak	yes	two-way
Kotzebue	yes	two-way
Nome	yes	two-way
Sitka	yes	receive only
Soldotna	yes	no

Pete Haycox

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

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

MEMORANDUM

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Barrow
Bethel
Fairbanks
Ketchikan
Kodiak
Kotzebue
Nome
Sitka
Soldotna

LEGISLATIVE TELECONFERENCE NETWORK LOCATIONS

Site	Remote Signal #	Moderator	Mail Address	Primary Conference Center	Video/Secondary Conference Center
Barrow	None	Emily Nusunginya 852-2611	North Slope Borough Box 69 Barrow 99723	North Slope Borough Bldg. Assembly Room	Arctic Slope Regional Corp. Building
Kotzebue	None	Janice White 442-3611	Office of the Governor P.O. Box 158 Kotzebue 99752	Kotzebue City Hall Conference Chamber	KOTZ - TV
Nome		Bob Scott 443-5287	Nome Info. Office P.O. Box 25 Nome 99762	Nome Info. Office/Room E-1 Nome Regional Office Bldg.	No secondary center
Bethel	None	Dan Boyette 543-3131	KYUK Radio/TV Bethel 99559	KYUK - TV	KYUK - TV
Fairbanks		Trudy Caine Aileen Welton 452-4449	Fairbanks Info. Office Rm. 250/Bldg. F 101 College Rd.	Fairbanks Information Office	KUAC University of Alaska
Anchorage		Judy Hopkins Charity Kadow 278-3668	Anchorage Info. Office 1024 West 6th Anchorage 99501	Anchorage Information Office	Media Services University of Alaska Anchorage Campus
Soldotna	None	Rhoda Eady 262-4441 ext. 280	Kenai Peninsula Borough Box 850 Soldotna 99669	Kenai Peninsula Borough/Civil Defense Conf. Room/Basement	*Kenai Peninsula Borough Clerks Conference Room
Kodiak	None	Mary Jo Simmons 486-4881	Kodiak Island Borough P.O. Box 1397 Kodiak 99615	Kodiak Island Borough Assembly Chamber	Kodiak Community College Room 1
Sitka	None	Cathy Hanson 747-6263	c/o Centennial Building P.O. Box 1226 Sitka 99805	Centennial Building Rousseau Room	** No secondary center
Ketchikan		Sandi Wendte Peggy Thompson 225-9675	Ketchikan Info. Office 415 Main St. Ketchikan 99901	Ketchikan Information Office Room 301	**Ketchikan Elks Lodge 335 Main St.
Juneau		Dave Hammock Claudia Coyner 465-4480	Legislative Affairs Agency Teleconferencing Network Pouch Y 99811	State Capitol	State Capitol Governor's Conference Room Third Floor

WASHINGTON, D.C. Senator Gravel -

Senator Stevens -

*no video capability
**video receive only

1/9/79

pre attached

June 13, 1978

Ms. Sheila Gallagher
Chairman, Local Boundary Commission
Suite 201
3201 "C" Street
Anchorage, Alaska 99503

Dear Ms. Gallagher:

Enclosed are statements .rom Kodiak City residents. Cope Street behind the Travel Lodge is about 300 yards long and hasn't improved in more than 32 years. Alder Lane & High Street are just as bad or worse.

The City Manager would have you believe that living in the City would solve everyone's problems since they would have a Public Works Department. He grossly exaggerated facts. He stated the average family on the West Coast was 4.0 in size when it is 3.5. In Kodiak it is 3.4. I am dubious of anything he gave you as evidence.

The electric meter reading is done on contract. All meters are read whether they are being used or not. I have 2 meters. A neighbor has 2 meters. There are 20 or so meters in the Spruce Cape area on unoccupied buildings. 75 or 80 per cent of people living on Spruce Cape & Mission Road live in trailers on rented lots.

The City Manager stated last Summer, the City was going broke. I gave Mr. Strandberg a copy of the 1977 Spruce Cape appraisals & am mailing you a copy.

Mr. Craig Bishop at the December 12 meeting was opposed to annexation of USS-3093 that he has his trailer court & bookeeping service on. He presented a petition at the Dec.12 meeting. He favored annexation,5 Mr. Bishop was recently elected President of Chamber of Commerce. He had an application to build an apartment complex which the City Council approved. He stated that a trailer court owner sold land to repair his roads. He sold 2 houses & the land they were about 300 yards from his trailer court. He sold the houses to increase his trailer sales' stock in Bells Flats. He has about 15 acres in his trailer court with 90 or 100 trailers. The roads are unplatted. The roads & trailer court are private property. If they are upgraded, the owner will pay for it. Mr. Bishop said that other roads were needed. All of the lots on Spruce Cape are 1 lot deep. The only roads needed are private driveways. He came to Kodiak '72 or '73.

Mr. Mills stated there was 1 house on Island in 1963. There were many houses in the Island Lake area then. The tax records & K.E.A. records will verify this. Since he was here, he worked in a cannery for several years & as a heavy equipment operator. He has applied for a 1/2 million dollar permit that requires City approval (he lives in the City).

Mr. William H. Lamme, former Kodiak Post Master, lived on Island Lake 20 years ago & now lives in Anchorage.

Mr. Gary Stevens, Acting Mayor of Kodiak, came to Kodiak in 1972 or '73 & is an official in a Japanese owned cannery .

The reason I've taken time to gather the above facts is that I have a tremendous investment in democracy with 5 years, 1 month and 29 days in the military. I have spent over $4,000.00 since 1963 and several months of my time trying to keep democracy alive on Kodiak Island. I obtained 500 borough books from Mr. Ronald Cease when the borough was formed in Kodiak and spent about $1,500.00 on newspaper adds; $1,000.00 on zerox copies, $800.00 or more on radio and T.V. adds; $800.00 on avelopes, stamps/supplies, etc. I have mailed every member of the House & State Senate information/ research material on various issues which I was concerned with and also to every Governor except Governor Miller. I have written every U.S. Senator & key men in the House of Representatives & wired our representatives in D.C. & the President on several occasions.

Please give the above statements every consideration in whatever determinations you make which affects the lives of many Kodiak residents.

Sincerely,

Okey Chandler

Okey Chandler
Box 1635
Kodiak, Alaska 99615

cc: Other boundary commissioners

JOAN M. KATZ
Attorney at Law
540 L Street, Suite 101, Anchorage, Alaska 99501
(907) 274-7634

January 23, 1979

Senator Arliss Sturgulewski, Chairperson
Community and Regional Affairs
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Arliss:

It was good talking to you today. Enclosed, as per our discussion, are copies of the two briefs I have submitted at various stages in this controversy. Please feel free to call me with any questions you may have or any additional areas regarding which you may need further input. I have also contacted Hayden Green at the University and he assures me that he and P. J. Hill, who prepared the economic analysis submitted to the Local Boundary Commission and included in the information being sent to you, will also be available to answer any questions you might have.

I appreciate your intention to have our staff keep me informed as to developments regarding Kodiak. I look forward to working with you on this matter.

Sincerely,

Joan M. Katz

vs

encl.

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

RESPONDENT'S BRIEF

I. Introduction

On October 19, 1977, the City of Kodiak submitted a petition for annexation of certain property located along Mill Bay Road in the Kodiak Island Borough to the Department of Community and Regional Affairs. While deficient in several respects (the most glaring of which was the absence of a resolution or ordinance authorizing the City to seek annexation), the petition was accepted by the Department. The City's case, as revealed in its brief, appears to rest on two principal grounds: first, that residents and property owners of the territory are deriving benefits from the City, such that they should be made to pay a commensurate share of the City's tax burden; and second, that the City could provide services to the territory more efficiently under annexation than could otherwise be accomplished. Intruding onto the specifics of this annexation proposal is petitioner's avowed intent to annex substantial other areas of Kodiak Island. See, Memorandum from Ivan L. Widom, City Manager, to the Local Boundary Commission, dated October 17, 1977.

Contrary to the City's allegations, it is the Borough's position that the best interests of the residents and property owners of the affected territory, and of the local governments involved, would not be served by this proposed annexation. As the Borough shall demonstrate, residents and owners of the territory would gain virtually nothing besides a hefty increase in their local taxes should this petition be successful -- an increase for services for which they presently pay more than adequately. The change in status would only serve to foster conflict, moreover, between the City of Kodiak and the Borough, and between the City and affected residents.

II. Lot Ownership and Configuration Within the Territory

At the outset, some factual clarification is required. In addition to the deficiencies in the petition mentioned above, there appear to be errors contained in the notice of hearing and attached lot descriptions provided by the Local Boundary Commission staff. First, Lots 3, 4, 5, 6, 7, 9 and 11 are identified as belonging to the City of Kodiak. Borough research indicates that those lots are currently patented by the State (patent number 50-64-0228 for lots 3-7, and 50-64-0169 for lots 9 and 11). The Borough, moreover, has filed land selections on these lots pursuant to AS 29.18.190, et seq. (Excerpt from Land Selections filed by Dale Tubbs for the K.I.B., Exhibit A.) The Borough, thus, possesses a specific interest in these particular lots, augmenting its underlying concern for the welfare of its residents in general.

In addition to this error, there appears to be an oversight in regard to Lot 27. This lot has not previously been annexed; nor is it included in the petition. It is

certainly possible that the City intentionally deleted this lot, perhaps because of known owner opposition to annexation. Such exclusion, however, would result in a continuation of the alleged misalignment of City boundaries. Since this "misalignment" is one of the grounds advanced by petitioner in support of annexation, the absence of Lot 27 is, at best, confusing. It suggests that this annexation proposal may not have been thoroughly analyzed from a thoughtful, planning perspective.

III. Standards for Annexation

Alaska Administrative Code Section 19.AAC 05.010 sets forth specific standards which provide guidelines for annexation. It is recognized that two of these standards ([1] and [3]) are met by this petition. The City raises no issues under Standards (2), (5), (6) and (9). These standards could not, in fact, be met in this case. Petitioner's case rests primarily on the purported fulfillment of Standards (4), (7) and (8). The Borough contends that there is not, in fact, compliance with these standards.

A. There is No Need in the Territory for Municipal Services that Could Not be Provided as Efficiently Without Annexation. (Standard No. 4.)

The City asserts that it can provide various services more effectively under annexation than would otherwise be possible. The City's history, however, and the facts regarding each of those services, suggest differently:

1. Sewer and Water. The City argues that sewer and water services would be extended immediately upon annexation. In fact, under a 1970 agreement between the Borough and the City, the City has long since been designated the agency responsible for implementation of water and sewer projects within the area of the road system in the Kodiak

failure to live up to the terms of this agreement accounts for the fact that services have not previously been extended to the lots within this territory. The City's track record is not one to inspire confidence.

2. Law Enforcement. The City simply describes its police force by numbers of officers and size of budget. The only argument made in this context, however, is that "Due to the nature of the boundaries in this area, certain problems can arise". (Petitioner's Brief, p. 1.) The Borough cannot envision what those problems might be. City police may certainly traverse City boundaries to get from one part of the City to another without violating any laws or ordinances. The only response possible to this broad statement is that the State Troopers provide police service to the territory. Residents and property owners have voiced no complaints about the level of service.

3. Fire Protection. The City's analysis of fire protection is, like its presentation of law enforcement, simply a descriptive one. What should be said is that there would be absolutely no change in fire protection provided the residents and property owners of the territory were the annexation to take place. Borough Fire District No. 1 presently covers this territory and is serviced through contract with the City; the contract provides fair consideration. (Exhibit C.) It might be noted, moreover, that the Borough owns one of the fire trucks utilized by the City, as well as a new ambulance similarly operated by the City and used inside and outside its boundaries.

4. Parks and Recreation. The City outlines its services in the parks and recreation area, and alleges a budget of $128,946 for this department. Apparently the intention is to suggest that Borough residents outside the

City are getting "something for nothing". In fact, the City is able to operate the pool and the gym only because the Borough has made them available. The pool and gym collectively are worth approximately $3,220,000, substantially more than the City's budgeted amount for this service. (Memorandum from Borough Assessor, Ed Haney, December 6, 1977; Exhibit D.) The joint agreement between the Borough, its School District and the City, further delineates the benefits accruing to the City through the use of these facilities. (Joint Agreement for the Use and Operation of Gymnasiums and Swimming Pool, Exhibit E.)

In addition, the Borough adopted parks and recreation powers within the last year, and has contracted for a major parks and recreation study to be completed by April of next year. City residents will undoubtedly benefit from the exercise by the Borough of its parks and recreation power.

5. Library. In describing its library with attached budgetary figures, the City again fails to make any case showing that Borough residents are taking unfair advantage. Petitioner acknowledges the Borough contribution of $15,000 to the library financing. There is no showing that this contribution is grossly disproportionate to the use by non-city residents of the library facilities. And there is also no mention of the fact that the Borough operates four libraries of its own which make interlibrary loans to the City library.

6. Cemetery. The City simply states that the cemetery, with its paid contractural employee, is available to Borough residents. There is no indication of how much this employee is paid; he may in fact be part-time. And there is no mention of the fact that the City acquired

the land for the cemetery in 1968 from the Borough for the price of $1.00. (Minutes of K.I.B. Assembly Meeting, 2/15/68, Exhibit F.) At the time, that land was worth approximately $29,600. At present, its estimated value is $300,000. (Memorandum from Ed Haney, Borough Assessor, to Stu Denslow, Borough Manager, Exhibit G.) Borough residents have more than paid their way into their ultimate resting places. Again, the level of service for the territory affected by this petition would not be increased through annexation.

7. Public Works Functions. The City's one-sentence remark in regard to public works provides little to which the Borough can helpfully respond. The fact that the Public Works Department provides street maintenance and snow removal is essentially irrelevant, since the primary road involved is Mill Bay Road, which is state maintained. Should the residents of the area decide that further local roads are necessary, they could finance them through road service districts, rather than taxing the general public for such neighborhood improvements. It might be noted, moreover, that private contractors are available to the Borough to provide competent road service, as is illustrated by the road service district in the Bells Flats-Russian Creek area. (Contract between the K.I.B. and Alagnak, Inc., Exhibit H.) House numbering, the other item mentioned in connection with public works, is a planning function and will be undertaken by the Borough as it proceeds with implementation of its comprehensive plan.

8. Cargo dock, boat harbor, ferry terminal and airport. The City alleges that these facilities are "to some extent" self-supporting, and then claims that general fund contributions have been made to maintain the facilities. Again, the City's lack of specificity renders the Borough's

attempt to be responsive difficult. Borough research uncovered only a $149,703 loan from the City's general fund to the cargo dock. (City of Kodiak, 1977/78 Budget, p. 46.) A loan hardly constitutes a "contribution". The City's presentation in this regard raises two additional questions. First, it is not at all clear that the municipal airport, as discussed further below, is an asset to Kodiak. The extreme hazardousness of this strip might merit its closure, rather than its support by taxpayers money. Second, it is not clear why general fund contributions should ever be used to make up deficits in the operating budgets of these enterprise activities. The people who use them should pay for them; those who do not use them, should not.

9. Garbage Collection. Residents of the territory would gain nothing new in the way of garbage collection should annexation take place. At present, they have the option of paying for garbage collection or transporting their own refuse to the dump. Under annexation, that option would be removed and they would pay for the service whether or not they wanted it. There has been no showing that such imposition is necessary.

A review of the above services indicates that the City has not demonstrated that it could improve the lot of territory residents through annexation. In fact, as described above, the residents and lot owners would gain virtually nothing to their advantage by way of annexation. As shown on the table below, however, these people would stand to lose a great deal. Best estimates reveal that, assuming the addition of sewer and water to all lots, the cost to lot owners should they remain outside the City limits would be 9.47 mills taxation plus $28.75 per month in water and sewer assessments; if the territory were annexed, the rate would

jump to a substantial 16.3 mills, with assessments in the neighborhood of $25.00 per month.

	City Resident	Borough Resident Outside City Limits
Borough Mill Rate	7.2	7.2
City Mill Rate	9.1	-0-
Fire Protection Mill Rate	-0-	2.27
Water	$10.00/mo.	$13.75/mo.
Sewer	$15.00	$15.00
Total	16.3 Mills $25.00/mo.	9.47 Mills $28.75/mo.

The City has simply failed to make a showing that such a rate increase is warranted or equitable for those affected.

B. Annexation Will Not Enable the City to Improve any Health or Safety Conditions in the Territory. (Standard No. 6.)

As noted previously, the City has not invoked this standard. It would be dismissed without comment were it not for the irony it brings to light. There is, in fact, a serious safety hazard located within the territory. That hazard is the municipal airport. Yet the City, which exercises complete control over this airport and even mentions it among the services provided to territory residents, has failed in its duty to alleviate the significant safety hazard that it poses. There is no reason to assume the City would perform more responsibly should other such problems arise.

C. It is Practical to Provide all Necessary Services to City Residents Without Bringing the Territory Within the City Boundaries. (Standard No. 7.)

Petitioner's brief includes broad statements to the effect that there is a "misalignment of boundaries [which] causes problems with enforcement of City ordinances and with providing certain services to those areas already annexed". That is the extent of petitioner's analysis. In light of joint Borough-City agreements covering water,

sewer, and fire, the Borough cannot envision any problems that might arise because of the existence of a few City lots within the territory. If the problems were significant, the City presumably would never have annexed those lots causing the present "misalignment".

D. The City is Receiving (or Should be Able to Devise Means of Receiving) Ample Reimbursement for the Services Provided Territory Residents and Lot Owners. (Standard No. 8.)

The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p. 2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

In addition to the direct payments identified above, all Borough residents outside the City fund the City's services and programs, whether or not they receive any benefits from them, through a three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses, whether the service is provided within or without the City. (City Ordinance 3.08.010 et seq.) Virtually all sales of goods and services on Kodiak Island take place within the City, so all residents

of the Island are sorely affected by this tax. Sales tax receipts, moreover, have been used to pay Borough personal property tax for City residents; owners of personal property within the City have not been required to make such payments out of their own pockets. (City Ordinance 3.04.010B.) Borough residents living outside the City boundaries have thus paid personal property tax twice; first their own, and then a substantial contribution to the payment of taxes for those persons who have personal property located within the City limits. Residents and lot owners in the territory have amply compensated the City for any benefits they might receive.

IV. Procedural Factors Against Annexation

Four intertwined procedural issues are raised by the manner in which this petition has proceeded to date. First, petitioner and the Local Boundary Commission seem determined to propel this matter forward with great speed, presumably because of the approaching start of the Legislative session. Such precipitous action, however, has resulted in failure by the Commission to follow its own guidelines, and has put great strains on the Borough and any other would-be respondent to prepare adequately for the upcoming hearing. Thus, the petition was apparently accepted notwithstanding the fact that no resolution from the City Council was attached (19 AAC 10.040[4]); the sources of information contained in the petition were presented only in a statement, not an affidavit (19 AAC 10.040[2]); and the petition was wrongly addressed to the Department rather than the Commission (19 AAC 10.030). In addition, the interest in reaching a quick determination in this case resulted in a refusal by the Staff Assistant to grant a few days postponement of the hearing. The Borough's attorney had requested such an

extension in order that a well-informed brief might be prepared and presented to the Commissioners sufficiently in advance of the hearing to enable them to receive the evidence with some foreknowledge of both sides of the case. (See, letter from Joan M. Katz to Pat Poland, Exhibit I.)

Second, as noted throughout the course of this brief, the City's presentation to the Local Boundary Commission consists primarily of broad allegations, without substantiating facts. Such material did not put the Borough in a sufficiently informed posture to respond adequately.

Third, the issue of annexation of the petitioned-for territory is clouded by the avowed intention of the City to extend its boundaries to still other areas. Mr. Poland has indicated to the Borough's attorney that the broader issues of annexation of large portions of the Kodiak Island Borough will in fact enter into the Commission's deliberations in the course of the hearing on the Mill Bay Road territory. Yet no petition has been filed on those other, very different areas; there is no way the Borough can prepare any response. Other interest groups, such as the Native population of Kodiak, may have strong feelings when confronted with the full scope of the proposed annexation. It would appear that any and all questions of annexation on the Island of Kodiak should await a proper petition adequately setting forth all the territory sought to be annexed with ample factual basis for the City's position. Absent such a rational approach, serious error might be committed as Commission deliberations are hurried forward without sufficient groundwork being laid. There is no emergency warranting such procedure.

Fourth, and finally, in connection with the intent to annex considerably more territory than is revealed in this petition, it would seem appropriate to handle this matter by

the step annexation procedure. Of critical concern to the Borough Assembly, staff and people they represent, is the fact that no opportunity has been afforded the people of this territory to vote on the issue of annexation. An election would give the Commission precise information regarding the people's views on this matter. It would also go far to reduce the anger and bewilderment experienced by Borough residents who view the non-elective process as an uncharacteristically undemocratic one for this State to be imposing upon them.

V. Conclusion

The only context in which the City's petition is comprehensible is that of a power play, a grab for land which the petitioner has no demonstrated ability to govern effectively. The evidence shows that the residents of the territory would gain nothing from annexation, but would stand to lose considerably from a financial standpoint. Abstract arguments supporting annexation are overshadowed by the reality of the cost-benefit ratio to those lot owners, by the fact that they do not support this petition, and by the realization that there is no equitable reason for increasing the City's tax base. Honest appraisal tells us that the City's track record for the delivery of services and for fair dealing with citizens on Kodiak Island is seriously deficient. There is no basis for granting the petition. There is sound basis for denying it. The Kodiak Island Borough respectfully requests that the Local Boundary Commission reject the City of Kodiak's petition for annexation.

DATED this 9th day of December, 1977.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF CERTAIN PROPERTY LOCATED ALONG MILL BAY ROAD, KODIAK;	)
CITY OF KODIAK,	)
Petitioner,	)
vs.	)
KODIAK ISLAND BOROUGH,	)
Respondent.	)

CERTIFICATE OF SERVICE BY MAIL

STATE OF ALASKA)
) ss.
THIRD DISTRICT)

THIS IS TO CERTIFY that on this 9th day of December, 1977, a true and correct copy of RESPONDENT'S BRIEF was served on:

City of Kodiak
P. O. Box 1397
Kodiak, Alaska 99615

by placing said copy in the U. S. Post Office, at Anchorage, Alaska, in a properly addressed, postpaid envelope.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

SUBSCRIBED AND SWORN to before me this ____ day of December, 1977.

Notary Public in and for Alaska
My Commission Expires: _____

H13-28
ADL 200122

KODIAK & VICINITY

State Patented Lands			
T27S,R19W,SM			
Unclassified			
USS 3465			
Tract B		9.74	A
Lands Classified Reserved Use			
USS 3466			
Lot 11	Cl#315	1.08	A
USS 3098			
Lot 3	Cl#315	1.25	A
4	Cl#315	1.25	A
5	Cl#315	1.25	A
6	Cl#315	1.25	A
7	Cl#315	1.25	A
9	Cl#315	1.25	A
11	Cl#315	1.03	A
USS 3463			
Lot 1A	Cl#315	1.56	A
Unclassified			
USS 3099			
Lot 25		1.55	A
	Total	22.46	A

Excerpt from Land Selection Filed By Dale Tubbs
for the Kodiak Island Borough

EXHIBIT A

RECEIV OCT 12 1977

10-J4LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

LAND AND WATER MANAGEMENT

SOUTHCENTRAL DISTRICT

3327 Fairbanks Street
Anchorage, Alaska 99503

October 4, 1977

Mr. Stuart Denslow
Borough Manager
Kodiak Island Borough
Box 1246
Kodiak, AK 99615

Dear Mr. Denslow:

This is to acknowledge receipt of Kodiak Island Borough's Municipal Selections, ADL 200122.

Further processing of the pending selections by the Southcentral District Office is not anticipated until completion of legislative action on House Bill 133 which addresses the municipal land selection problems in Title 29 of the Alaska Statutes. If, in the meantime, there are critical priority selections requiring immediate attention or questions regarding your selection status, we will be glad to respond to your needs.

Sincerely,

L. A. Dutton
District Manager

cc: Dale Tubbs
Moening-Grey and Associates

10/5

Dale— Sorry we didn't get these recorded promptly. When I gave your package of selection to Jack Wiles I evidently didn't make it clear to Jack that the selection applications were to go to Records—

There will be no filing Fees this time as the fee has not been officially established.

Dutta

EXHIBIT A - PAGE 2

AGREEMENT

DESIGNATING THE CITY OF KODIAK AS THE AGENCY RESPONSIBLE FOR IMPLEMENTATION OF WATER AND SEWER PROJECTS ELIGIBLE FOR FEDERAL FUNDING

THIS AGREEMENT, made and entered into this 2nd day of July, 1970, by and between the CITY OF KODIAK, a municipal corporation, hereinafter referred to as "CITY" and KODIAK ISLAND BOROUGH, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as "BOROUGH",

W I T N E S S E T H :

WHEREAS, BOROUGH is a second class borough and as such has limited authority which does not include the power to provide water or sewer service and

WHEREAS, CITY is a first class city and as such has a Public Works Department and in connection therewith provides sewer and water service to the residents residing within the corporate limits of the CITY OF KODIAK and to some residences residing outside the corporate limits of the CITY OF KODIAK, and

WHEREAS, the parties hereto desire to make application for Federal aid on local sewer and water project and one of the parties hereto must be designated an agency responsible for implementation of such projects.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto mutually agree as follows:

1. CITY is hereby designated the agency responsible for implementation of any water or sewer projects within the area of the road system in the KODIAK ISLAND BOROUGH and is hereby authorized to make application for Federal aid in connection therewith.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officials on the day and year first above written.

CITY OF KODIAK

By Richard C. Poole

KODIAK ISLAND BOROUGH

By

EXHIBIT B

CONTRACT TO FURNISH FIRE PROTECTION SERVICE

THIS CONTRACT made this 2ND day of ~~May~~ July, 1970, by and between the CITY OF KODIAK, hereinafter referred to as "City" and the KODIAK ISLAND BOROUGH, hereinafter referred to as "Borough", both being municipal corporations organized under the laws of the State of Alaska.

W I T N E S S E T H

WHEREAS, City is an Alaskan municipal corporation, being a home-roll or charter city, and as such is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is an Alaskan municipal corporation of the second class and has under its powers formed a Fire Service District as provided by law and therefore is lawfully authorized and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is presently without adequate fire protection in its Fire Service District and desires to have the services of City's Fire Department and to pay for such services; and

WHEREAS, City is willing to furnish fire protection to Borough's Fire Protection District provided an adequate payment is made.

NOW, THEREFORE, City and Borough agree as follows:

SERVICES TO BE RENDERED

FIRST: Subject to the conditions and qualifications hereinafter recited, the City will furnish to Borough's Fire Protection District during the period of this Agreement, the services of City's Fire Department to the same extent as if the area encompassed within the boundaries of the Borough's Fire Protection District were a part of the incorporated area of the City.

TERM OF AGREEMENT

SECOND: The term of this Agreement shall be continuous until terminated by mutual agreement of the Parties or by notice of intention to terminate given in writing not less than ninety (90) days before the intended date of termination when such notice is given and which notice may be given by either Party at any time hereafter.

PAYMENT

THIRD: Borough agrees to pay to City during the term of this Agreement an amount equal to the millage rate levied by City for fire protection service in the City, which amount shall be levied and collected on all properties within Borough's Fire Protection District at the same millage rate. City shall give to Borough, in writing, at the time it sets its millage rate, the millage levied for fire protection within the City and that same millage rate shall thereafter be applied to all properties within the Borough Fire Protection District for the ensuing year and this amount shall be paid to City.

CITY IS NOT RESPONSIBLE FOR CONDITION OF FACILITIES

FOURTH: City assumes no responsibility for the condition of the water mains, adequacy of fire hydrants, water pressure or of any of the facilities to be furnished by Borough's Fire Protection District except to render the best service possible under the conditions which exist at any given time.

RESPONSIBILITY OF FIRE CHIEF

FIFTH: In agreeing to give Borough's Fire Protection District the same type and quality of fire protection service as

that enjoyed by the City, it is understood by Borough that the ultimate decision and discretion as to the method and manner of controlling or extinguishing fires is vested in the Fire Chief of the City. Neither City or Borough shall be allowed any priority in dispatching of fire fighting equipment or personnel, but in any given case, the decision shall be in the discretion of the City's Fire Chief.

FIREMEN TO BE MADE PEACE OFFICERS

SIXTH: City does not agree to furnish any peace officers in connection with the response to any fires within the Borough Fire Protection District unless such powers are conferred upon firemen by the laws of the State of Alaska and in that event the powers and authorities shall be limited to that authority granted.

INSPECTION BY FIRE DEPARTMENT

SEVENTH: The Fire Department of City shall have the same right to make inspections of any and all structures and grounds within the Fire Protection District of Borough and to make appropriate recommendations thereon with the same force and effect as the Fire Department has within the City.

BOROUGH TO ABATE FIRE HAZARDS OR NUISANCES

EIGHTH: Borough agrees to take timely action to abate any fire hazard or nuisance when such is called to the attention of the Borough Chairman or Borough Assembly.

INDEMNITY OF FIRE DEPARTMENT

NINTH: Borough agrees that the Fire Department of the City shall have the same privileges and immunities with respect to liability as said Department has in the City.

ADJUSTMENT OR REVISIONS OF BOUNDARIES

TENTH: Borough agrees that if the present geographical boundaries of the Fire Protection District of Borough are reduced or enlarged or expanded, then and in such event City may either refuse to service such enlarged area or this Agreement shall be amended to provide an added consideration for the additional fire protection to be rendered by City or a reduction in the compensatio by reducing the amount thereof by subtracting the millage from thos properties withdrawn.

CITY IS INDEPENDENT CONTRACTOR

ELEVENTH: The management, regulation and control of City' Fire Department shall remain the sole obligation of City, and the relationship of City to Borough shall, upon this Agreement taking effect, be that of independent contractor.

IN WITNESS WHEREOF, the Parties hereto have executed these presents by resolution of their respective governing bodies,, duly authorizing the same.

CITY OF KODIAK

BY: _____
PETE RESOFF, Mayor

ATTEST: _____
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: _____
WILTON T. WHITE, Chairma

ATTEST: _____
ROBERT GRAFE
Borough Clerk

ADDENDUM

TO CONTRACT TO FURNISH FIRE SERVICE

Whereas the parties hereto have heretofore entered into an Agreement whereby CITY agreed to furnish to BOROUGH's Fire Protectic District, the services of CITY's Fire Department to the same extent as if the area encompassed within the boundaries of the BOROUGH's Fire Protection District were a part of the incorporated area of the CITY and

Whereas BOROUGH agreed to pay to CITY during the term of said Agreement, an amount equal to the millage rate levied by the CITY for fire protection service in the CITY but no provision was made, nor account taken of the Capital Improvements of the Fire Department to date or in the future,

Now therefore, the parties hereto agree that the BOROUGH will transfer, and the CITY will accept the equity of the BOROUGH in its fire truck and equipment as the BOROUGH's contribution to the Capital Improvements of the CITY's Fire Department to date, and to make further contributions to the Capital Improvements of the Fire Department through assessment and taxation at the same time and on the same basis as may be done by CITY in the future.

IN WITNESS WHEREOF, the parties hereto have executed these presents by resolution of their respective governing bodies, duly authorizing the same.

CITY OF KODIAK

BY: Rolland A. Jones
R. A. JONES, City Manager

ATTEST: Norma Holliday
NORMA HOLLIDAY, Clerk

KODIAK ISLAND BOROUGH

BY: W. T. White
WILTON T. WHITE, Chairman

ATTEST: Robert Grafe
ROBERT GRAFE
Borough Clerk

KODIAK ISLAND BOROUGH

DATE: December 6, 1977

FROM: Borough Assessor/ Ed Haney

TO: Whom It May Concern

At the time of construction in 1973 the cost of building the Kodiak High School gymnasium was One Million One Hundred Fifteen Thousand Dollars ($1,115,000). Reproduction today would be approximately One Million Six Hundred Seventy Thousand Dollars ($1,670,000).

The swimming pool complex in 1973 cost One Million Thirty Five Thousand Dollars ($1,035,000) to build and to reproduce it today would approximately cost One Million Five Hundred Fifty Thousand Dollars ($1,550,000).

Totaling the two (2) buildings together shows a cost to build in 1973 of Two Million One Hundred Fifty Thousand Dollars ($2,150,000).

The reproduction of the two (2) buildings together in 1977 would come to Three Million Two Hundred Twenty Thousand Dollars ($3,220,000).

EH/sv

cc

EXHIBIT D

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
POST OFFICE BOX 886
KODIAK, ALASKA 99615
(TELEPHONE (907) 486-3131)

JOINT AGREEMENT FOR THE USE & OPERATION OF GYMNASIUMS & SWIMMING POOL

This agreement entered into this 15th day of November 1977, by and between the KODIAK ISLAND BOROUGH, hereinafter referred to as the *BOROUGH*, the KODIAK ISLAND BOROUGH SCHOOL DISTRICT, hereinafter referred to as the *DISTRICT*, and the CITY OF KODIAK, hereinafter referred to as the *CITY*.

WITNESSETH:

WHEREAS, the *DISTRICT* has under its jurisdiction the operation and management of three gyms and one swimming pool within *CITY* boundaries, said gyms being the Kodiak High School gym, the Main School gym, and the East Elementary gym; and,

WHEREAS, the *BOROUGH* contributes to the *CITY* recreation program by making school facilities available to the City Parks & Recreation Department for public use; this they do in lieu of providing recreational funds to the *CITY*; and,

WHEREAS, the *DISTRICT* obligated itself before the election of February, 1972 to running the pool for the public; and,

WHEREAS, it is inconvenient and costly for the *DISTRICT* to run a public recreation program; and,

WHEREAS, said swimming pool and gymnasiums are physically convenient and capable of being used by the *CITY* and its program conducted

by the Parks & Recreation Department; and,

WHEREAS, maximum use can be made of said swimming pool and gymnasium facilities by the joint use thereof of the *DISTRICT* and the *CITY*, and it is in the best interests of the parties hereto and the public that such use be made thereof.

NOW THEREFORE, in consideration of the above premises and the undertaking and convenants of each of the parties as hereinafter set forth, it is agreed by and between the parties as follows:

1. TERMS:

This *AGREEMENT* shall be effective for a term of 7½ months, commencing on November 15, 1977, and ending on August 1 _____, 1978. The *AGREEMENT* may be terminated by either party giving 30 days written notice.

2. USE OF POOL & GYMS:

The *DISTRICT* shall have the right of exclusive use of said swimming pool and gymnasiums upon regular school days, Monday through Friday of each week during each school year, from 7:30 AM to 5:00 PM of each of the said days, except that the *CITY* reserves the right to use the pool or gymnasiums for the public if they are not being used at that time by the *DISTRICT*. The *DISTRICT* shall also, in addition to the hours specified, have the right to use the pool and gymnasium facilities for school activities and athletic purposes, but the gymnasiums and pool shall not be used by the *DISTRICT* for any program designed, or by its nature competitive with the recreation program carried on by the *CITY*. However, the *DISTRICT*

may not retain the gyms or pool for the daily practices of their athletic teams beyond the hour of 7:30 PM.

3. FACILITIES:

The *DISTRICT* facilities which are the subject of this agreement include the pool, the gyms, the locker rooms, together with a limited amount of office storage space.

4. SCHEDULING OF FACILITIES:

The *DISTRICT* shall have first priority in scheduling its activities. After the *DISTRICT* establishes its schedule, the *CITY* shall make up its recreation schedule. The *CITY* must provide the *DISTRICT* with at least one week advance notice prior to commencement or change of the *CITY* recreation time schedule. Once the *CITY* established their recreation schedule, the *DISTRICT* must give the City Parks & Recreation director at least one week advance notice before changing their *DISTRICT* schedule, and this schedule change must meet the approval of the City Parks & Recreation director and the School Superintendent. Use of *DISTRICT* facilities by groups outside the realm of the *CITY* or the *DISTRICT*, at times other than during regular school hours, will be scheduled by the *DISTRICT* Community School Coordinator with the approval of the *CITY* Parks & Recreation director.

5. DENIAL OF FACILITIES:

The *DISTRICT* reserves the right to deny the use of their facilities to groups which by their behavior may either do physical harm to the facilities or participants, or by their presence downgrade the moral

and ethical standards of the *DISTRICT*.

6. CITY OPERATIONS:

The *CITY*'s responsibility is restricted to public use of the gyms and the pool as well as daily maintenance of the pool. This means that the *CITY* will:

a. Hire, terminate, pay, and supervise all *CITY* recreation personnel.

b. Schedule all *CITY* recreation use programs and activities.

c. Do the pool vacuuming, filtration, chemical up-keep, and locker room clean-up.

d. Provide reimbursement to the *DISTRICT* for over-time custodial services incurred when *CITY* recreational activities last later than 10:30 PM, unless prior agreements are made for use of the facility past the alloted time.

e. Provide supervisory personnel for all *CITY* recreation activities and insure that *CITY* recreation participants have vacated *DISTRICT* facilities prior to the supervisor's conclusion of duties.

7. DISTRICT OBLIGATIONS:

The *DISTRICT* will at its sole cost and expense:

a. Provide heat, light, power, water, chemical supplies, and equipment necessary for both *DISTRICT* and *CITY* use.

b. The *DISTRICT* will continue to handle all major mechanical work and the annual pool overhaul.

c. Provide all necessary building maintenance for the gyms, pools, and supporting facilities.

d. Provide regular custodial services during the regular school year when facilities are vacated by *CITY* recreation participants and supervisors by 10:30 p. m.

8. FEES:

Since *CITY* expense for operating the pool must be met by gate receipts, all gate receipts collected by the *CITY* are to be the property of the *CITY*.

9. LIABILITY INSURANCE:

The *CITY* shall at all times maintain and keep in effect liability insurance covering its use of said facilities.

10. PROPERTY DAMAGE

The *DISTRICT* facilities or property thereon damaged or destroyed by reason of the negligence or acts of the *CITY* employees or persons using the *DISTRICT* facilities during the times that said facilities are subject to the exclusive use of the *CITY* shall be the responsibility of the *CITY*, and reimbursement for replacement or repair thereof shall be made by the *CITY* to the *DISTRICT*; provided, however, that nothing herein contained shall be construed to obligate the *CITY* to make repairs for damage which is due to ordinary wear and tear.

11. TERMS OF THIS AGREEMENT

The terms of the *AGREEMENT* may be renegotiated to meet the prerequisities of the Community Education Program.

CITY OF KODIAK

By _____
City Manager

ATTEST:

_____
City Clerk

KODIAK ISLAND BOROUGH

By _____
Borough Mayor

ATTEST:

_____
Borough Clerk

KODIAK ISLAND BOROUGH SCHOOL DSTRICT

By _____
School Board President

By _____
School Board Clerk

D. Resolution 68-5-R Setting Amount Owed by City for Payment on Personal Property Taxes. The resolution was read. Mrs. Hajdu inquired why the Borough was just now collecting these taxes from the City for 1967. Mr. Valkama explained that the City could make better use of these funds than the Borough, and so the delay was beneficial to them; and also that the City is just now collecting its 1967 sales tax, out of which this payment is made. Further, the Borough supplemental personal property roll has just been completed for 1967. Mrs. Springhill moved, seconded by Mr. Arndt, that the resolution be adopted. Mr. Burt and Mr. Bullock wished to review the tax returns before any action was taken. Mr. Valkama commented that if further reviews were made, it would probably turn out that the City would owe more money because in 1967 there were no teeth in the law requiring that people living inside the City file for their personal property. Motion carried by unanimous roll call vote.

E. Approval of Tax Adjustments Nos. R-67-38 and R-67-39. Both of these lots were taken by ASHA in 1966 and should have been in ASHA's name for 1967 instead of John Thevik's. Mrs. Springhill moved, seconded by Mr. Bullock, that adjustments No. R-67-38 and R-67-39 be approved. Motion carried by unanimous roll call vote.

F. Approval of November 15, 1968, as Delinquent Date for Second Half Payment of 1968 Taxes. It was explained that the ordinance sets November 1 as the delinquent date, but that enough tax bill forms are left from 1967 to use for 1968 if November 15 is again used as the delinquent date for second half payments of taxes. Mrs. Springhill moved, seconded by Mr. Arndt, that November 15, 1968, be approved as the delinquent date for second half payment of 1968 taxes. Motion carried by unanimous voice vote.

G. Conveyance of Cemetery in USS 3511 to City. Mr. Best stated that the cemetery is presently being arranged haphazardly, and suggested that it be conveyed to the City since they have the necessary staff to properly carry out proper arrangements. After discussion, Mrs. Springhill moved, seconded by Mr. Arndt, that the cemetery in USS 3511 be conveyed to the City for $1.00 with the provisions that it be properly laid out for roads and access and in accordance with the Subdivision Ordinance, insofar as practicable for a cemetery. Motion carried by unanimous roll call vote.

H. Dewitt Fields re Anton Larsen Road. Mr. Fields stated that he had been asked by Okey Chandler on behalf of the people of Anton Larsen Bay and Port Lions to meet with the Assembly concerning the restoration of this road, which is covered now at high tide for one mile. He stated that a petition concerning the road had been submitted to the Governor, and that the reply stated that $500,000 would be required to reroute the road. However, local contractors felt that the road could be sufficiently raised for only $25,000 to $30,000. Mrs. Hajdu suggested that the State be requested to use maintenance funds for this purpose, that they be informed that cost estimates for the job were less than $100,000, and that the road is needed by the families in the area and by the people from Port Lions and Ouzinkie who use it, after coming in by boat, as a means of getting to Kodiak. Mrs. Springhill moved, seconded by Mr. Bullock, that a resolution be drawn up by the attorney incorporating the ideas which were suggested in this discussion to take care of the problem of the Anton Larsen Bay Road. It was suggested that copies of the resolution be sent to the Governor and Kodiak's Representative and Senator. Motion carried by unanimous roll call vote.

X CHAIRMAN'S REPORT

A. Legislation of Interest. Mr. Best pointed out the following legislation of special interest:

HB 375
HB 376
HB 432 for school construction grants.
HB 463--appropriation bill for HB 432.
SB 175--providing for State to pay for defaults of local school bonds. This would help to give Alaska a better bond rating and may lower interest rates.
SB 248--3% education wage tax.

B. Building Inspector's Vehicle. Mr. Best suggested that since the City furnishes gas for the vehicle, the Borough furnish necessary repairs. The Assembly concurred.

EXHIBIT F

KODIAK ISLAND BOROUGH

M E M O R A N D U M

TO: Stu Denslow/Borough Manager

FROM: Ed Haney/Borough Assessor/Appraiser

SUBJ: Lot 1, Hospital Subdivision, USS 1822
Appraised Valuation

DATE: November 29, 1977

This lot (5.92 acres) was transferred from the Kodiak Island Borough to the City of Kodiak in 1968 to be used as a cemetary, recorded in Book of Deeds 21 at pages 92 and 93.

Comparable land in this area was selling for $5,000 per acre in 1968. As this is all high and well-drained land the 5.92 acres would have had a value of $29,600.00.

The 1978 value of this property were it put to it's best use (not a cemetary) would be $25,000 per acre or $148,000. If this land were subdivided into residential lots the market vlaue would total $300,000 This is possible because of adjacent water, sewer and access.

As a cemetary, it's value is almost an intangible, however to purchase land under today's market conditions would come close to the $300,000 figure.

EH/sv
cc

EXHIBIT G

CONTRACT

THIS AGREEMENT, made this 1 day of September, 1977, by and between Kodiak Island Borough, herein called "Borough", acting herein through its Presiding Officer (Title of Authorized Officia

and Alagnak, Incorporated
STRIKE OUT INAPPLICABLE TERMS (a corporation) (a partnership) (an individual doing business as _____

of Kodiak, State of Alaska

hereinafter called "Contractor".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the BOROUGH, the CONTRACTOR hereby agrees with the BOROUGH to commence and complete the construction described as follows: Road Maintenance and [illegible]val - Bells Flats/Russian Creek Service Area, hereinafter cali[illegible], for the amount specified in the attached bid schedule. A[illegible] in connection therewith, under the terms as stated in the [illegible] Conditions of the Contract; and at his (its or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions and prices stated in the Proposal, the plans, which include all maps, plats, blueprints and other drawings and printed or written explanatory matter thereof, the specifications and contract documents, all of which are made a part hereof and collectively evidence and constitute the contract.

The CONTRACTOR hereby agrees to commence work under this contract on or before a date to be specified in a written "Notice to Proceed" of the BOROUGH and on a timely call out basis thereafter for the duration of the contract.

The BOROUGH agrees to pay the CONTRACTOR in current funds for the performance of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in three (3) counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

KODIAK ISLAND BOROUGH

Margaret D. Lunce
(Secretary)

BY John E. Reft
Presiding Officer
(Title)

Shirley Keller
(Witness)

ALAGNAK, INC.
(Contractor)

(Secretary)

By Fred C. Parker
President
(Title)

(Witness)

Box 1[illegible] - Kodiak, Alaska 99615
(Address and Zip Code)

NOTE: Secretary of the Borough should attest. If Contractor is a corporation, Secretary should attest.

JOAN M. KATZ
ATTORNEY AT LAW
1614 HIDDEN LANE
ANCHORAGE, ALASKA 99501
(907) 274-3804

November 21, 1977

Patrick K. Poland
Staff Assistant to the
Local Boundary Commission
Department of Community
and Regional Affairs
511 West Fourth Ave.
Anchorage, Alaska

Dear Pat:

This is simply to confirm our conversation of last Friday, November 18, 1977. At that time I requested that the Kodiak hearing now scheduled for December 12, 1977 be rescheduled for later in that week to enable me to prepare the Borough's brief in sufficient time so that Commissioners would have the opportunity to review it prior to the hearing. You denied that request. The Borough is now proceeding with the case within the time frame you have set forth. Should the short time allowed appear to prejudice the Borough at a later date, the objection will be reiterated at that time.

I look forward to hearing from you later today in regard to the review of Commissio precedents we discussed.

Thanks for your consideration.

Sincerely,

Joan M. Katz

EXHIBIT I

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	))))))

BRIEF OF THE RESPONDENT KODIAK ISLAND BOROUGH

Introduction

Annexation entails substantial financial, political and practical consequences for property owners and residents of the lands involved. To assess those consequences in connection with the Kodiak situation, three fundamental questions need to be asked: (1) whether annexation would serve any real purpose so far as the territory to be annexed is concerned; (2) whether the alleged equities on the City's part exist in fact, or have been advanced simply to justify a quest for additional revenues; and (3) whether adverse consequences would befall individuals within the territory, or without, should annexation occur. Respondent's analysis of these questions will address the relevant, specific factors set forth in 19 AAC 05.010, as well as the concerns raised in both the letter of May 1, 1978, from Sheila Gallagher to Stewart Denslow, and in the Preliminary Report from the Department of Community and Regional Affairs, dated May 10, 1978.[1] In light of the fact that this proposed annexation is a legislative one, with no opportunity for the people involved to express their opinions at the polls, abstract theories of symmetry in local government should not be afforded excessive weight. The

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540 "L" Street, Suite 101
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(907) 274-7634

[1] The final report was not available at the time this Brief was being prepared.

realities of the Kodiak situation need to be examined.

I. What Needs Exist Within The Territory That Could Best Be Met By Annexation?

Annexation makes sense only if services are needed and desired by the people affected which can best be provided by the annexing government. The evidence in this case, however, is that people outside the City's current boundaries are generally content with not only their government, but also the kinds and levels of services they are presently receiving.

An attitudes survey conducted by the Anchorage Urban Observatory last year indicates that the three greatest concerns for residents outside the City are litter, roads and the high cost of goods.[2] Inside the City, residents are most concerned about the same two priority issues, although roads are placed above litter. The problems of physical isolation and "environment" tie for third place. Outside the City only one person in the sample rated utilities as a top priority; only one identified animal control as such. And not a single person identified police or fire service as the most urgent problem.

These findings are highly significant in reflecting a general, marked absence of desire on the part of people in the affected territory to change the kind, or raise the level, of services they receive - even when no price tag is attached. The only exceptions occur in connection with roads and litter.

a. Roads. Kodiak's roads are essentially State maintained, with only 13 miles of road under City jurisdiction and 15.5 miles within the Borough's authority. Annexation for the purposes of road maintenance would be nonsensical for two reasons. First, the people within the City are more dissatisfied with the condition of their roads than are the people outside the City,

---

[2] For more detailed information on this survey see Kodiak Island Borough Economic Analysis, submitted by Drs. Green and Hill as part of the Borough's presentation in this proceeding.

suggesting that the City is hardly the appropriate government unit to undertake further road work. In addition to the findings of the Urban Observatory study in this regard, there is the testimony of City residents like Charles Davidson, who stated at the December 12, 1977 hearing that he was opposed to annexation in light of the City's inability to adequately pave and/or oil the roads within its current jurisdiction.

Second, Borough voters have recently elected to adopt road power within Service District I of the Mill Bay-Monashka Service area. This power will enable the Borough to offer road service to those areas in which the property owners vote to foot the bill Such an undertaking has previously proven successful in the Bells Flat area, where private contractors provide road maintenance. (See Exhibit H to Respondent's Brief of December 9, 1977, regarding the proposed Mill Bay Road Annexation.)

Comments by the Local Boundry Commission staff concerning the absence of a Borough public works department to provide road maintenance are irrelevant to the Kodiak situation. As indicated previously, the roads at issue here do not cover hundreds of miles, but rather approximately 15.5 miles. Private contractors are not only capable of providing maintenance, grading, snow removal, etc. for this amount of road surface; such contractual arrangements would seem to be a boon to the local economy. Finally, it should be noted that in Fiscal 1978 the people of the Russian Creek and Bells Flat areas voted to spend $38,000 on road maintenance for nine miles of road while the City spent $1,110,014 for 13 miles of road maintenance and construction. The people currently living outside the City's boundaries should continue to have the right to choose to spend $38,000 vs. $1,110,01 if they are satisfied with the lower level of service. Annexation would deprive them of that right to choose

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b. Litter. Litter, the other major concern of Kodiak residents in and outside of the City, also provides no basis for annexation The State again has responsibility for maintaining

its roadways and would be charged with litter removal in those areas. The Borough, pursuant to its planning, road and health powers would similarly be able to undertake this responsibility. To support its case for annexation, the City would seem to have the burden of showing that it could better meet this problem.

c. Sewer and Water. The only additional, significant need that the Local Boundary Commission might want to examine would be that for sewer and water. In some areas of the Borough outside the City, sanitation standards necessitate, and the people desire (although not as a top priority) sewer and water improvements. The analysis submitted by the independent consultants from the Alaska Urban Observatory indicates that there is no reason to believe the City could meet these needs at less cost than the Borough. Unlike the services of roads and police, moreover, sewer and water are public utilities, in the same category as telephones. As such, they must pay their own way. They could, theoretically, be provided by a private corporation. The expansion of sewer and water into the territories in question should, therefore, have no bearing on the issue of annexation. (See Green and Hill, Kodiak Island Borough Economic Analysis, at 7.)

A review of services needed in the affected territory thus reveals that annexation represents a theory without any practical application or rational nexus to the facts of this case. There is no cry for expanded police protection. There is no reason to deprive private contractors of the opportunity to provide road maintenance at the level the people can afford. In his letter of December 16, 1977 to Mr. Strandberg, the City Manager himself acknowledged: "I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need to annex. This is especially true in the Kodiak urban area". (Exhibit A, at 2-3) The point made by Drs. Green and Hill, of

course, is that not even sewer and water requirements create any need or justification for annexation. From the territory's standpoint, annexation is simply not needed in any way, to provide any service.

II. Is the City Entitled To Annexation For Reasons of Equity?

It is arguable, though Respondent would oppose this notion, that even without a need for annexation, such action could be required if the City is presently being placed in an inequitable position by virtue of non-City residents' use and enjoyment of City facilities and services. The City took this position in its Mill Bay Road petition brief; the information presented by Respondent in connection with that annexation is equally applicable here. Respondent's previous brief summarized the facts regarding specific services mentioned by the City in its plea for "equity" as follows:

> The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p.2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a $300,000 plot of land given for $1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

Also mentioned in Respondent's previous brief was the highly significant fact of the three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses. Strong concern with the "high cost of goods" as expressed in the Urban Observatory attitudes survey, indicates the substantial impact of this tax. In a memorandum prepared at the time of the previous annexation hearing in Kodiak,

the Borough Planning Director researched his own financial situation and presented figures establishing that as a non-City resident, he was paying more taxes to the City (as a result of the sales tax) than he was contributing to the Borough through personal and real property taxes. (Memorandum from Planning Director to Borough Manager, December 6, 1977, Exhibit B.)

Local Boundary Commission regulations contemplate that measures such as sales taxes can be used as alternatives, not supplements, to annexation. 19 AAC 05.010(a)(8) provides in part:

> In determining whether [property owners in the territory receive the benefit of City services without commensurate tax controls] the Commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers . . . .

Through this sales tax (plus the contribution to firefighting equipment, dock user fees, etc.), non-City residents of the Borough more than pay their way They pay not only for benefits they receive, but for benefits inuring only or principally to City residents. For example, $60,000 received from sales tax revenues (to which non-City residents contribute as much per capita as City residen has been used to finance construction of water and sewer facilities within the City in the 1977-78 fiscal year. (City of Kodiak Budget 1977-78 Fiscal year.) Even more significant perhaps, a substantial percentage of the property taxes owed by City property owners are being paid by sales tax receipts garnered from non-City residents as well as City residents. While the appraised value of City property should have netted the City 1.3 million dollars in tax receipts, in fact only $655,000 is being collected. (City of Kodiak Budget 1977-78 Fiscal year.) Where is the equity in such an arrangement? If City residents are not even paying their own property taxes at this time, what possible justification can there be for seeking to tax people currently outside the City boundaries?

It is apparent, thus, that if any group of people is being treated inequitably, it is the territory residents: they pay City bills through sales taxes while contributing directly through user fees and the like for services that they utilize. The City, in truth, simply wants to spread it's overhead a little thinner - an understandable position, but one decidedly negated by the equities of the situation.

III. Would Annexation Have Any Adverse Effects Upon Territory Residents Or Other Kodiak Citizens?

It is evident that annexation is not warranted because of any need for City services or from any equitable standpoint. It should be recognized, in addition, that annexation could be extremely harmful to territory residents - and ultimately to the Kodiak community at large.

Respondent's previous brief on Mill Bay Road attempted to illustrate the relative costs to territory residents of provision of water and sewer services with and without annexation. On the assumption that territory property owners would pay existing City taxes to acquire such services, it was determined that the price tag for the annexed resident would be 16.3 mills plus $25.00 per month in assessments, as opposed to 9.47 mills and $28.75 per month for non-City residents. (Respondent's Brief 12-09-77 at 8.) Drs. Green and Hill have calculated potential mill rates under annexation on the alternative assumption that annexation would simply shift some of the City's cost to the new territory. In that case the mill rate for City residents would be 15.19 mills - as opposed to 9.47 for non-City residents receiving sewer and water. (See Green and Hill at 12.) The difference under either method of calculation, is clearly substantial.

There is another consideration however, which is as important as the economic detriment to be suffered through annexation.

This is the potential effect on this relatively small community of the hostility that would be engendered by the imposition of annexation on a group of people who are adamantly opposed to it. An effort at unification was initiated by the City on October 27, 1977. (Resolution 23-77, Exhibit C.) The Borough responded in good faith, and scheduled a day long workshop attended by members of the public, City and Borough officials, a representative from Community and Regional Affairs and the former attorney of the Anchorage Charter Commission. As a result of that meeting, the Borough Assembly voted unanimously to put the question of unification on the ballot this Fall. (Resolution No. 78-34-R, April 6, 1978, Exhibit D.)

Unification is an appropriate means by which to avoid duplication of government units and promote more efficient government. Most importantly, it is also a means well suited to healing political wounds and allowing citizens to work together toward common goals. If the Local Boundary Commission were to try to design a tool aimed at destroying any hope for unification in Kodiak, it could propose no better means than the contemplated annexation. As testimony at the December 12, 1977 hearing established, many citizens of the Borough outside the City limits are bitterly antagonistic towards the City as a result of actions or inactions attributable to that government. Many citizens, further, are outraged by their lack of opportunity to vote their views on the annexation question. Should City dominion now be imposed upon them, the chances of a harmonious movement towards unification would be destroyed.

Conclusion

Annexation may have a theoretical appeal along the lines of political neatness. Theory is not reality, however, and the fact is that without annexation there will be service districts,

with annexation, there will probably be differential taxation with inconsistent levels of service, and with unification, there would still -- and again -- be service districts. The diference between the present situation and annexation -- the only two options available to the Local Boundary Commission -- is in the degree of choice to be exercised in the annexed territory. And that choice of course translates into substantial impact on the pocketbooks of the property owners involved.

The Local Boundary Commission is undoubtedly cognizant of its significant power and responsibility in considering legislative annexations. Respondent urges the Commissioners to ask themselves the three questions posed in this Brief while deliberating the merits of this case. The answers, the Borough feels confident, will show no need for services that the Borough cannot provide at a cost comparable to or lower than the City; no inequity done to the City by non-City residents; and adverse effects on both territory residents and other Kodiak citizens alike should annexation be approved. In light of these realities, Respondent respectfully submits that legislative annexation in this case would be an abuse of discretion. Respondent requests that annexation be denied.

DATED this 12th day of May, 1978.

Joan M. Katz

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE

STATE OF ALASKA

Re: Proposed Annexation of Certain Lands in the Kodiak Urban Area to the City of Kodiak	)))))

CERTIFICATE OF COUNSEL

I, Joan M. Katz, counsel for the Kodiak Island Borough, certify that a copy of the Brief of the Respondent Kodiak Island Borough was delivered to the staff of the Local Boundary Commission for service on the City of Kodiak this 19th day of May, 1978.

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

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(907) 274-7634



City of Kodiak

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

December 16, .977

Mr. Sigvald J. Strandberg
Chairman
Local Boundary Commission
Department of Community and
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Kodiak Island Borough
KODIAK, ALASKA
RECEIVED
DEC 19 1977

Dear Mr. Strandberg:

I do not envy the Commission's position when attempting to relate to the problems such as we have here in Kodiak. I respect your willingness to listen to many statements that are irrelevant; however, I do not believe they should bear much weight in your decision.

When I finished my initial remarks, I asked for an opportunity to reply to the Respondent's Brief. For one reason or another, you did not honor my request. I realize your desire not to prolong the hearing; however, there were many points that were made that were not true. It is too bad that you were not willing to give me an opportunity to clear them up for you and those attending the meeting.

I think it should be made known in what capacity your fellow Commission member, Ms. Gallagher, is working for the Borough. It is obvious that if her employment has anything to do with any of the issues mentioned in the annexation proceedings she should disqualify herself from any court proceedings, as well as Commission activities. Her ability to ask questions during the hearing that would bear on possible litigation would seem reason enough for her to disqualify herself. I would like to hear from you or Ms. Gallagher regarding this issue.

There are several points I would like to make that were brought out in the testimony of the citizens.

EXHIBIT A

1. The City sewage treatment plant is 100% funded by the Federal and State Governments and City of Kodiak. The City's portion is financed in part by general obligation bonds. There are no Borough funds involved in this sewage treatment plant.

2. It is obvious that the City is not going to reap any huge benefits from the annexation proposal. Half of the lots are in public ownership, there are no industries, pipelines, etc. that would constitute a windfall to the City if the annexation did occur.

3. Postponing the decision on this annexation until after the legislature begins is not fair. The merits are quite obvious. I should not have to go into any detail on this.

4. As far as I could ascertain, there was not one registered voter from the area in question who spoke against the annexation. If an election were held rather than the public hearing, none of those people would have been able to voice their opinions. I think it was incumbent upon the Commission to make this clear. One of the items I wished to make known was that no resident of the area spoke on the annexation. The only people involved were property owners and those renting or leasing for business purposes.

5. At the Borough meeting on December 1, I tried to explain that the annexation of the Mill Bay Road area was the only item to be considered at the hearing. The Borough overreacted and sent out notices to all post office box holders as well as the notices in the paper. I feel that it is this kind of activity that turns people off toward government and makes all our jobs more difficult.

6. As I understand it, there are five members of the Boundary Commission and since two can hold a public hearing but three need to make a decision, the other two members that were absent also need to concur in the decision to hold another public hearing on this annexation.

It is quite obvious that the residents of the Borough and City residents who own property in the Borough are against annexation because of the additional financial burden. As far as I am concerned, that is no reason for these people not to be annexed. From your comments, you seem to have similar feelings. I am going to ask the Council of the City of Kodiak to wait six months before meeting with the Boundary Commission again since no annexations can occur until 1979. The Borough will go ahead with their service areas and unnecessary duplication of taxing structures will automatically result. I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need

to annex. This is especially true in the Kodiak urban area.

I would like to take this opportunity to thank you for visiting with us. I really feel that you have quite a burden on your shoulders. I appreciate that fact only too well; however, I still feel that you have accepted your positions of trust and you have a responsibility to the municipalities that are depending on you for proper decisions.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom
City Manager

ILW/lp

cc: Commissioner MacAnerny
Governor Hammond
Senator Poland
Representative Snider

KODIAK ISLAND BOROUGH

CONFIDENTIAL MEMORANDUM

TO: Borough Manager

FROM: Planning Director

SUBJECT: Individual Breakdown of City and Borough Taxes

RE: Information Required by Counsel

DATE: December 6, 1977

During our discussions with Mrs. Joan Katz, she requested I prepare a breakdown of my estimated Kodiak Island Borough Real and Personal Property Tax as well as the amount of Sales Tax collected by the City for goods and services.

The following reflects the assessed valuation of the real property I lease:

Land	Building	Total	KIB Mill Rate		Amount of Tax
$8,900	$32,890	$41,790	$9.50	=	$397.00

Personal Property:

Description	Valuation	Mill Rate	Amount of Tax
1965 Dodge ½ Ton P.U. w/Camper	$ 500		
1974 Buick 2 Dr. H.T.	2,975		
1973 Chevrolet K5 Blazer	2,900		
1969 9-HP Outboard Motor	50		
Total	$6,425	x $9.50	$ 61.04
Total Amount of Tax Revenue Collected by K.I.B.			$440.04

The following reflects the estimated Sales Taxes I pay:

EXHIBIT B

CONFIDENTIAL MEMORANDUM

To: Borough Manager
From: Planning Director
Subject: City and Borough Taxes, Individual Breakdown
Date: December 6, 1977

Sales Taxes:

Item	Amount of Tax (Month)
Food	$ 21.00
Telephone	2.25
Electricity	2.55
Fuel Oil (Furnace)	7.50
Clothing	3.00
Automobile Gas and Oil	1.80
Tire Repair	.54
Cosmetics	1.00
Water	.42
Dry Cleaning	.60
Cable Television	.51
Entertainment (Movies)	.75
Appliances (Large & small, Replace & repair)	1.05
Cards, Gifts, Candy	1.50
Books, Magazines, Newspaper	1.00
Meals Out	6.00
Beverages	5.00

Average Amount of Sales Tax Paid to City of Kodiak, $ 56.47 per Month;

Total Yearly Amount Sales Tax Paid to City (x 12), $ 677.64

Average of Combined City and Borough Taxes for non-City Resident, $1,117.68

Percentage of Total Tax Paid to the City of Kodiak, 60.629%

Percentage of Total Tax Paid to Kodiak Island Borough, 39.370%.

Of the $440.04 paid to the Borough, 2.27 Mills or $109.44 were paid over to the City of Kodiak for fire protection, thus leaving the Borough with a net tax collected in the amount of $330.60, and the City of Kodiak with a total $787.08.

Percentage of Adjusted Total Tax Paid to the City, 70.421%,

Percentage of Adjusted Total Tax Paid to the Borough, 29.579%.

Respectfully submitted,

H Milligan

Harry Milligan

CITY OF KODIAK
RESOLUTION NUMBER 23-77

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK REGARDING THE ESTABLISHMENT OF A JOINT COMMITTEE TO STUDY UNIFICATION

WHEREAS, major changes are occurring in the entire Kodiak Island Borough, and

WHEREAS, the tax base is not sufficient to support excessive government and

WHEREAS, the relationships between the City of Kodiak and the Kodiak Island Borough demand close cooperation and coordination, and

WHREEAS, unification of the two governments might be in the best intere of the residents of the Kodiak Island Borough;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodi wishes to participate in a study task force along with the Borough Assembly members and private citizens to study the advantages and disadvantages of unification and to recommend whether or not unification would be in the best interest of the residents of the Kodiak Island Borough. The Council respectfully requests the Borough Assembly to participate in this task force and to meet with the Council in worksession to determine how best to implement this study group.

PASSED AND APPROVED this 27th day of October, 1977.

Jerry Tust
MAYOR

ATTEST:

Debby Pearsall
CITY CLERK

EXHIBIT C

KODIAK ISLAND BOROUGH
RESOLUTION NUMBER 78-34-R

A RESOLUTION PLACING BEFORE THE VOTERS OF THE KODIAK ISLAND BOROUGH THE QUESTION OF ELECTION OF A CHARTER COMMISSION TO PREPARE A UNIFICATION CHARTER.

WHEREAS, Alaska Statute 29.68 provides a method whereby a borough and the cities within it may be united into one government under a home rule charter, and

WHEREAS, the Assembly has determined that the voters of the Kodiak Island Borough should be given an opportunity to determine whether they wish to create a charter commission to prepare a home rule charter to be approved or disapproved by separate vote of the voters within and outside first class cities at a subsequent election.

NOW THEREFORE BE IT RESOLVED by the Kodiak Island Borough Assembly:

Section 1. The following proposition shall be submitted to the voters at the next regular Borough election to be held on October 3, 1978, which is at least 90 days after adoption of this resolution:

Shall a charter commission be formed (and charter commission members be elected as elsewhere provided on this ballot) to prepare, adopt and submit to the voters for their approval or rejection a proposed charter uniting Kodiak Island Borough and all cities within it as a single unit of home rule government having the powers, duties, and functions of a unified government as authorized by law?

Yes ( ) No ( )

Section 2. Effective upon the adoption of this resolution, a call is issued for nominations of charter commission candidates, specifying the filing deadline, and outlining the procedures for making nominations as follows:

(a) Eleven qualified voters shall be elected to a charter commission. Three (3) at large and eight (8) from (1) cities, or (2) the area outside cities. The number of members elected from cities and from the area outside cities shall be proportionate to the respective populations, as determined by the Department of Community and Regional Affairs.

(b) Charter commission candidates shall be nominated by petition signed by at least 50 qualified voters of the area from which the candidate seeks election, or by a number of qualified voters from that area equal to at least 10 per cent of the number of votes cast from that area in the last regular Borough election, whichever is less.

(c) Nomination petitions shall be filed with the Borough Clerk not later than September 1, 1978, which date is at least 30 days after notice of the call for nominations has been given through the Borough. Nominating petition forms shall be provided by the Borough Clerk.

EXHIBIT D

(d) Procedures for acceptance of petitions, withdrawal of petitions and other election matters shall comply with all requirements of State law, and with the requirements of Title 2 of the Code of Ordinances of the Kodiak Island Borough to the extent consistent with State law.

Section 3. The vote on the proposition stated in Section 1 shall be tabulated in two separate classification.

One classification shall consist of all votes cast in the (first class and home rule cities) of the Borough. The other classification shall consist of all votes cast in the remaining areas of the Borough. In order for unification to be approved, it is necessary that a majority of the votes in each classification favor unification.

If unification is approved, those charter commission candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

PASSED AND APPROVED by the Assembly of the Kodiak Island Borough this 6th day of April, 1978.

KODIAK ISLAND BOROUGH

BY Betty J. Wallin
Mayor

ATTEST:

Sheila Miller
Borough Clerk-Treasurer

G. Hayden Green, Ph.D, MBA

University of Alaska, Anchorage
3221 Providence Dr.
Anchorage, Alaska 99504

Betty Wallin, Mayor
Kodiak Island Borough
Kodiak, Alaska

Honorable Betty Wallin:

In accordance with your request, Dr. P.J. Hill and I conducted an analysis to determine the economic consequence with regard to the matter of annexation of portions of the Kodiak Borough by the City of Kodiak. To facilitate the study, we have thoroughly dissected the annual operating budgets of both governmental entities, that is, the Borough and City, and analyzed a substantial amount of information contained in reports produced by other consultants and government entities.

We have generally concluded that the residents in the area being considered for annexation will not derive appreciable economic benefit from the City's proposed boundary expansion. From an economic prospective, the only justifications for expanding the governmental and taxing authority of the City are: (1) if the residents outside the City are dissatisfied with the level of service they are receiving, (2) if the City can provide services more efficiently and economically than the Borough and (3) if residents inside the City are carrying a disproportional burder for service shared by area-wide residents. Relevant information suggests that none of these conditions exist; therefore, annexation is not warranted. The basis for these conclusions are summarized in numerical order throughout the remainder of this report.

Sincerely,

G. Hayden Green, Ph.D.

P.J. Hill, Ph.D.

G. Hayden Green, Ph.D, MBA

KODIAK ISLAND BOROUGH ANNEXATION ECONOMIC ANALYSIS

1. Borough residents level of satisfaction with existing services:

Members of the Anchorage Urban Observatory research staff were commissioned to conduct a survey of attitudes of residents in the Kodiak Borough as part of an OCS impact study in 1977. As part of that study, respondents were asked questions regarding their level of satisfaction with services received. A total of 472 individuals completed the survey. To determine if the level of satisfaction with services received varies between residents within the City and those residents in the proposed annex area, some additional computer and statistical analyses were conducted of the original questionnaire responses.

Individuals living in the village who responded to the questionnaire were omitted. The balance of the respondents were separated into two groups, that is, those people within the City limits and those in the proposed annex area. One question asked was, "What do you dislike about your area?" Of the 199 respondents living within the City, 15.1% listed roads; and 13.1% listed litter as their main area of dissatisfaction. Of the 119 individuals responding to the questionnaire who live in the proposed annex area, 12.6% listed roads; while 13.4% listed litter. This was the area with which residents registered their greatest level of dissatisfaction (roads and litter). In the Table attached, it can be seen that very little difference exists between the level of dissatisfaction with services between individuals living within the City limits and those living outside. In fact it should be noted that, while 2.5% of the respondents living within the City listed police and fire protection as their number one concern, not one person living outside the City listed it as an area of dislike. (See Table 1)

In another question residents were asked to rank several factors which they considered major problems facing the Kodiak Borough. In Table 2 the percentage of individuals listing various factors as their number one concerns are shown. It should be noted that only 5 percent of the respondents living outside the City listed inadequate public facilities and services as a primary concern.

A third question queried residents about those areas they felt were the communities' most pressing needs. Again, we separated respondents within the City and those in the proposed annex area. The factors listed as being the most pressing need were housing and roads by both sectors of the areas' population. Nine percent of the City's residents listed public services, water and sewer as a pressing need; while only 4.2 percent outside the City listed it as their first concern. (See Table 3)

In a subsequent question, residents were asked to rate community facilities and service as either presently being adequate, needing upgrading at the present time or needing upgrading in the future. A perusal of Table 4 suggests that residents outside the City have equal concerns with the level of services they receive. (See Table 4)

Several important implications pertinent to the issue of annexation are gleaned from the survey data:

1. Individuals within the City limits and those persons outside the City have similar attitudes towards the level of service they receive, that is, a comparable level of satisfaction with regard to public goods in relation to their cost.

2. The services of greatest concern to both City and Borough residents are roads and litter conditions. According to state records, the City maintains 13 miles of roads; while the Borough maintains 9 miles of roads. The remaining road system is state or privately maintained. The survey results suggest that residents do not perceive the City as doing a better job maintaining their road systems than the Borough is with its roads.

3. The survey results clearly suggest that the City is not more astute at providing services to local residences than the Borough government. There is some dissatisfaction among City residents with some services provided by the City of Kodiak, i.e. law enforcement, animal control, airport, parks, and roads. Within those services provided area-wide by the Borough, there exists a relatively high level of resident satisfaction, i.e. medical service and education.

4. The survey results indicate that individuals in the outlying areas are satisfied with the level of service they are receiving. This would suggest that the initiative to expand the boundaries of the City limits originated within the City or from a minority group.

G. Hayden Green, Ph.D, MBA

TABLE 1

KODIAK ISLAND BOROUGH COMMUNITY ATTITUDE SURVEY

WHAT RESIDENTS DISLIKE MOST ABOUT AREA

CATEGORY LABEL	RELATIVE FREQ (%) CITY	RELATIVE FREQ (%) BOROUGH
NR	3.5	1.7
Environment	6.5	6.7
Roads	15.1	12.6
Litter	13.1	13.4
Utilities	1.5	0.8
Poor Govt.	2.5	2.5
Animal Control	1.5	0.8
Pub. Transport.	0.5	0.8
Police-Fire	2.5	0
Lack Recreation	2.0	1.7
Trans. Facilities	1.5	0
Planning-zoning	1.5	4.2
Devpt.-Growth	3.0	3.4
Oil Devpt.	0.5	0
High Costs Goods	5.5	10.9
High Cost Land	2.0	0.8
High Taxes	0.5	0
Inflation	3.0	2.5
Lack Housing	5.0	5.0
Physical Isolation	6.5	6.7
Pop. Growth	4.5	7.6
Alcohol Abuse	3.5	1.7

TABLE 2

MAJOR PROBLEM FACING THE KODIAK BOROUGH

	City Residents	Outside City Residents
Inadequate Public Facilities and Services	10.6	5.0
OCS Impact	13.1	21.8
Shortage of Housing	48.2	41.2
Conflicting Land Use	13.1	15.1
Preservation of Cultural Diversity	4.5	4.2
Preservation of Natural Environment	8.5	10.9
Other	9.0	5.0

TABLE 3

COMMUNITIES' MOST PRESSING NEEDS

	RELATIVE FREQ. (%) CITY	RELATIVE FREQ. (%) BOROUGH
NR	8.5	8.4
Housing	36.7	42.9
Jobs	1.0	0.8
Roads	6.0	3.4
Road Maintenance	1.0	1.7
Road Constr.	0.5	0
Better Govt.	1.5	1.7
Open up Land	1.5	4.2
Land for Building	2.0	1.7
Boat Harbor	1.5	0.8
Env. Protection	0.5	0
Alt. Energy	0.5	0.8
Protect Fishing	0.5	0.8
Plan Slow Growth	4.5	5.0
Control Oil Devpt.	1.0	1.7
Interethnic Coop.	1.0	0.8
Enforce Zoning	1.0	0
Public Services	3.0	1.7
Water-Sewer	6.0	2.5
Pest Control	1.0	0
Alc-Drug. Rehab.	3.0	0

TABLE 4

ATTITUDE TOWARD COMMUNITY FACILITIES AND SERVICES

ATTITUDE TOWARD	PERCENT WHO RESPONDED PRESENTLY ADEQUATE		PERCENT WHO RESPONDED NEEDS UPGRADING NOW		PERCENT WHO RESPONDED WILL NEED UPGRADING	
	City	Outside	City	Outside	City	Outside
Water Utility	30.2	16.8	37.2	39.5	25.6	24.4
Sewer Utility	29.1	14.3	40.7	47.9	20.6	16.0
Electric Utility	23.1	19.3	42.2	40.3	29.1	31.1
Refuse Collection	42.7	35.3	27.6	23.5	23.6	26.1
Telephone Utility	15.6	21.8	63.3	54.6	15.1	17.6
T.V. and Radio	25.6	22.7	53.8	58.8	12.1	13.4
Highway and Roads	11.1	10.1	72.9	79.0	9.5	5.0
State Airport	30.2	42.0	41.7	36.	20.6	19.0
City Airport	18.1	26.1	44.7	47.9	13.6	9.2
Kodiak Dock	37.2	45.2	31.7	26.1	21.1	21.8
State Ferry	52.8	55.5	28.6	22.7	11.1	17.6
Law Enforcement	25.1	31.1	51.8	45.5	16.1	17.6
Fire Protection	55.8	43.7	17.8	25.2	18.1	23.5
Animal Control	29.6	21.8	48.2	51.3	10.1	10.9
Emergency Medical	45.2	52.9	24.1	26.9	20.6	15.1
Court System	30.2	35.3	44.7	45.4	16.1	10.9
Elementary School	40.7	36.1	33.2	31.9	18.6	21.8
Secondard Education	36.2	32.8	37.7	37.0	18.1	20.8
Community College	44.7	47.9	23.6	25.2	21.1	20.2
Medical Service	43.2	50.4	35.2	28.6	16.1	12.6
Sanitation	29.1	23.5	45.7	47.9	15.1	18.5
Public Assistance	26.1	25.2	52.8	50.4	6.0	9.2
Employment	46.7	42.0	28.6	28.6	11.6	17.6
Social Services	43.2	44.5	31.2	26.9	12.6	16.0
Parks	26.6	28.6	41.2	47.1	22.6	13.4
Recreation Facilities	23.6	21.8	46.2	49.6	20.1	12.6
Open Space	44.7	37.0	27.6	31.9	11.1	10.9
Museum	67.3	62.2	12.1	19.3	16.1	12.6
Library	69.3	68.9	8.0	14.3	18.1	13.4
Postal	14.6	17.6	62.8	70.6	14.6	10.1

2. Can the City provide services more efficiently and economically than the Borough?

One other area upon which the annexation decision should be predicated is the cost of providing public services. The City asserted in the original petition that it could provide services to the area in question more efficiently through annexation than otherwise.

In discussing this, several things need to be well defined. First, it is desirable to separate public goods from public utilities especially with respect to governmental finance. There are some goods that local governments provide that are, in reality, public utilities. Sewer and water systems fall under this category. Those who receive the benefits from these goods are easily identified; and these systems should, if possible, be supported by user fees. These facilities should not be financed by general taxes.

Secondly, with respect to the financing of public goods, it is possible to go the service district route efficiently. All that is required is an institutional arrangement whereby those who receive the benefits can be assessed in proportion to the costs. (The costs would include some prorata share of the fixed plant, not just thin marginal cost.) There is no loss in efficiency in doing this through service districts, and there is no economic reason for necessitating annexation. Expansion of services may produce some economies of scale (the larger the operation, the lower is the cost per unit of output); yet these can be realized without annexation. The service district would seem a more desirable route because of the ability of the residents to choose which public utilities they want.

Public goods are those types of goods which must, by necessity, be provided through taxation (police, planning, general administration, parks, etc.); yet there is no reason to believe that they require the annexation process. They could be provided on the basis of service districts and differential taxation. It should be remembered that the benefits of the service (public good) do have geographical limitations.

Further, it is doubtful than any particular government has a unique advantage in terms of production costs. Both the Borough and the City have to buy their resources in the same market, and they face the same types of technology. There is probably no economic rationale for having a service provided by one government over another.

To provide a basis for comparing the cost and operating efficiency of the two governments, we used the 1977/78 operating budgets of the two entities. (See Table 5)

It should be noted that several duplicated positions exist within the Borough and City governments. These will not be eliminated if the City boundaries are expanded.

A preferable alternative to annexation would be unification. If the two governments were unified, the positions listed in Table 6 could be eliminated. It should be noted, however, that the historical experience of unification efforts have not resulted in substantial cost savings. Where costs are saved in one area, they are often absorbed in others. The primary advantage of unification is the elimination of the conflict that often arises where two governments serve the same citizenry.

TABLE 5

BOROUGH AND CITY BUDGETS

GENERAL COST Executive & Clerk	City	Borough
1. Travel & Per Diem	6,870	8,780
2. Compensation Mayor council	2,760	4,800
3. Legal	55,000	16,500
4. Capital Expenditures Office Machines, etc.	10,100	10,000
5. Manager's salary	39,500	42,462
6. Manager's Secretary		13,687
7. Clerk/Treasurer	27,687	18,331
8. Secretary	13,810	13,687
9. Bookeeper		15,741
10. Benefits	24,319	6,103
11. Dues	6,190	4,200
12. Expenses (Mayor & Council)	4,800	2,000
13. Overtime	100	1,200
14. Supplies	5,350	8,000
15. Professional Services	7,000	5,000
16. Professional Development		5,000
17. Insurance & Bonding		2,500
18. Group Insurance		1,089
19. Communication, Adv.	4,490	6,790
20. Printing	8,000	

TABLE 5 (continued)

BOROUGH AND CITY BUDGETS

GENERAL COST Exectuive & Clerk	City	Borough
21. Repairs and Maintenance	500	2,000
22. Rentals	4,805	1,500
23. Equipment		
24. Vehicle Allowance		3,000
25. Post Audit		25,500
26. Election		7,000
27. Boards and Commissions		500
28. Termination Reserves		3,000
Expenses	221,281	241,870
		86,648.48
		328,518.48
		102,575.00
Expenses		431,193.48
Revenues		
earned	60,514	305,050
shared	36,546	750,000
taxes	124,221	51,143

TABLE 5 (continued)

CITY

Tax Collecting - Finance	Revenues	
Expenses	Earned	31,[illegible]92
223,270	Shared	36,873
	Tax	154,904
Police Department		
Expenditures	Revenues	
813,379	Earned	251,330
	Shared	172,635
	Tax	389,414
Fire Department		
Expenditures	Revenues	
333,241	Earned	59,150
	Shared	55,042
	Tax	219,048
Public Works		
Expenditures	Revenues	
631,401	Earned	296,142
	Shared	144,279
	Tax	190,979
Parks & Recreation		
Expenditures	Revenues	
128,946	Earned	20,500
	Shared	21,295
	Tax	87,151
Library		
Expenditures	Revenues	
137,351	Earned	15,000
	Shared	22,935
	Tax	99,416
Museum		
Expenditures	Revenues	
18,000	Earned	0
	Shared	2,973
	Tax	15,027
Engineering		
Expenditures	Revenues	
112,159	Earned	32,100
	Shared	18,524
	Tax	61,535

TABLE 5 (continued)

Non Departmental		
Expenditures		Revenues
1,450,239		Earned 471,034
		Shared 239,518
		Tax 739,687
		Taxes (including tax on city utilities)
		2,081,385
		Earned and Shared
		1,987,882
BOROUGH		
Assessing Department		
Expenditures		Revenues
102,386		Taxes & Reserves 102,386
Planning and Zoning		Revenues
Expenditures		Earned
173,949		Shared 15,800
		Tax 158,149
School Support		
Expenditures		Revenues
851,498		Shared 248,033
		Tax 603,465
Health		
Expenditures		Revenues
226,850		Shared 162,000
		Tax 64,850
Building and Maintenance		
Expenditures		Revenues
191,344		Earned
		Tax 191,344
	Taxes & Surplus	1,171,337
	Earned & Shared	805,883

3. Are residents inside the City carrying a disproportional burden for services?

Kodiak is particularly concerned that they (City residents) are paying for many "public goods" that are used by people who live outside the City boundaries. The charge is that these non-city residents are "free riders." It would be useful to examine sources of revenue for the City and identify revenues that are paid by City residents and by non-residents.

The population of the respective areas (City and surounding area) is computed as follows: The total population of the City (official population figures used by the State of Alaska for revenue sharing) and the Borough in 1977 is 4,960 and 7,901 respectively. The population of the five second-class cities in the Borough (these are Akhiok, Larsen Bay, Port Lions, Ouzinke and Old Harbor) totaled 940. It will be assumed that there are approximately 200 persons living in other areas (areas outside cities). Therefore, the total population living in the greater Kodiak (City) area is 7,901 less 1,140 or about 6,761. Of that total, 4,960 live in Kodiak city; and about 1,800 live in the surrounding area. Therefore, of the total resident population in the greater area, City residents account for approximately 73 percent which implies that the surrounding area holds about 27 percent of the population.

Additionally, the migratory labor force accounts for a significant portion of those people who are hit by sales taxes. Accounting for a trend, it would appear that, on average, the labor force is 13 percent higher than the permanent residents would support. This is due to the cyclic nature of employment.

Thus, there would appear to be a significant portion of the population that would be hit by the sales tax who are not permanent residents of Kodiak city. Assuming that there are not wide differences in the distribution of income between residents (of the City) and non-residents, it would not be unreasonable to assume that people would pay the same amount in sales taxes to the City, no matter where they lived either within the City, the surrounding area or were transient labor force. Conceivably, what I can account for would seem to indicate that residents of the surrounding area and transient labor force (in covered employment) would probably account for about 40 percent of the total sales taxes collected. Additionally, there are others who pay sales taxes who are not accounted for by this figure (any sales that are made to Borough residents outside the greater Kodiak city area which would include all the outlying villages and any purchases made by the U.S. coastguard personnel). Also, there are significant sales taxes paid by people who work in Kodiak in the summertime who are not in covered employment; this would include all the sales made to fishing boats from the outside. Thus, the portion of sales taxes paid by non-city residents is probably greater than 50 percent.

One of the traditional arguments for a sales tax, at least in this instance, would seem to hold true. Sales taxes can be levied to tax people who might otherwise escape taxation, notably, tourists, transients, and non-residents of a political jurisdiction.

Other taxes of the city that are ultimately paid by non-city residents would include their portion of the property taxes that are shifted forward by commercial businesses within the City. Traditionally, across the U.S., businesses account for about 50 percent of property taxes (see Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74 ed., Washington, D.C., p. 173). It is commonly believed that businesses shift large portions of the property tax on to the consumer in the form of higher prices. For example, the Port of Kodiak included $83,000 as a payment to City government in lieu of property taxes. This payment was included as part of the rate base in calculating charges for use of the terminal. This shifting is especially true in non-competitive market structures which is characteristic of the Kodiak economy. Thus if 50 percent of total retail sales which are made in Kodiak are made to non-city residents and are passed along in the form of higher prices, then it would be possible to conclude that approximately 25 percent of the property taxes paid to the city are, in fact, paid by non-city residents.

In terms of the total tax revenue Kodiak city collects, the City residents collect a significant portion of their taxes from people who do not reside in the City. Of total property taxes paid, we can attribute $163,750 to non-residents; and, of the total sales tax revenue ($1,250,000), approximately half ($625,000) can be attributed to non-residents. Thus it would seem as though non-residents pay as much as $788,000 into the purse of Kodiak city which accounts for almost 41 percent of total tax revenue. It can hardly be said that there is a significant "free rider" problem.

It is interesting to examine what would happen to property taxes in the area to be annexed if annexation were to take place and the City spread its property taxes out over a larger tax base. Currently, there are four service areas where differential taxation is imposed. These include: the City (TCA1), the fire district (TCA8), the road district (TCA9) and the villages (TCA9). The fire district and the road district property would be added to that of the City upon annexation; both of these areas hold about 12.85 percent of the total property in the borough. The City, on the otherhand, contains 81.17 percent of total property in the Borough.

By using the mill rate and the tax base of the areas to be annexed along with the City, it is possible to examine what would happen if the property tax of the City were spread over the whole area. Currently the City is taxed at a 16.33 mill rate; the surrounding area mill rate is 7.23 with an additional assessment of 0.75 mills in the road district and 2.27 mills in the fire district. If the focus of annexation were to simply shift some of the cost to the outlying areas, the same total amount would be collected with the mill rate of the various areas being equalized. The overall mill rate would be 15.19 mills -- a decrease of 1.14 mills in the City (a decrease of $85.5 on a $75,000 home), an increase of 5.69 mills in the fire district (a $426.00 increase in property taxes on a $75,000 home), and an increase of 7.21 mills in the road district (an increase of $540.75 on a $75,000 home) for residents outside the City.

Further, it might be noted that the area to be annexed includes the U.S. Coast Guard base. Thus the retail sales on the base would be subject to the City sales tax which would add to the City revenues significantly. It is difficult to know how much this will add to the City revenues. The Office of non-appropriated fund for the Coast Guard reported that this total operation was approximately $3.5 million. While most of that was the BX and similar activity, the precise amount that would be hit by a retail sales tax would be difficult to determine. If, for example, $2.0 million were covered by the retail sales tax, the City would collect $60,000. This is about five percent of the total tax revenues for the City.

2/1/79

Ms. Kimberly Steven and
Mr. Randolph Davela
P.O. Box 3166
Kodiak, Alaska 99615

Mr. Norman D. Wooten
P.O. Box 3016
Kodiak, Alaska 99615

Mr. and Mrs. D. Pistorese
P.O. Box 37
Kodiak, Alaska 99615

Mr. and Mrs. Steven Olsen
P.O. Box 1574
Kodiak, Alaska 99615

Ms. Melissa Newton
P.O. Box 773
Kodiak, Alaska 99615

Mr. Ron Matsuoka
P.O. Box 2078
Kodiak, Alaska 996

Mr. John Morton
P.O. Box 44
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212 Birch
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Mr. Okey Chandler
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Ms. Margaret D. Duros
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Kodiak, Alaska 99615

Ms. Jo Hajdu
P.O. Box 627
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Mr. and Mrs. Louie Horn
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Spruce Cape Road
Kodiak, Alaska 99615

Mr. Dick Juelson, Chairman
Borough Residents for Autonomy
P.O. Box 286
Kodiak, Alaska 99615

Mrs. June Juelson
P.O. Box 286
Kodiak, Alaska 99615

MR. Bob Brooks 2/5/79
P.O Box 232
Kodiak, Alaska 99615

MS. JANET Wente "
P.O. Box 2791
Kodiak, Alaska 99615

MR. B.E. NACHTWEIH
P.O. Box 1247 "
Kodiak, Alaska 99615

Sent 2/1/79

The Senate and House Community and Regional Affairs Committees have scheduled a Joint Committee Hearing in Kodiak on February 10, 1979. Subject of the meeting will be "Recommendation for Annexation of Territory to the City of Kodiak, Alaska" as submitted to the Eleventh Legislature by the State of Alaska Local Boundary Commission; Senate Joint Resolution No. 12 and House Joint Resolution No. 10 relating to the Local Boundary Commission Recommendation of January 23, 1979 for annexation of territory to the City of Kodiak.

For your information, both Resolutions, plus a list of Senate and House Committee members are being sent to you. I wanted to give as much advance notice as possible. Arrangements are being made to hold the Joint Public Hearing at the East Elementary School Auditorium at 2:00 P.M., February 10, 1979.

We will have a sign-in sheet at the Hearing for all individuals and groups wishing to testify.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

Enclosures (3)

15 January, 1979
Box 3016
Kodiak, Alaska
99615

Chairman
Senate Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska
99811

Dear Sir:

I am writing to request that you hold hearings on the attempt of the city of Kodiak to annex certain areas into the city.

I urge you to vote against this proposal. I am confident that if the residents of the area are allowed to testify at a hearing that your vote will be against the annexation.

Thank you for your consideration of this matter.

Sincerely yours,

Norman D. Wooten

Norman D. Wooten

16 January, 1979
Box 3016
Kodiak, Alaska
99615

Alaska State Legislature
Pouch V
Juneau, Alaska
99811

Dear Sirs:

As a resident of the Kodiak Island Borough I am appealing for your support in helping us to overcome a problem. The city of Kodiak is attempting by legislative action to annex the area in which I live into the city. The Local Boundry Commission is reccomending to the Committee on Community and Regional Affairs their approval of the proposal. I strongly urge that you vote against this proposal.

I am opposed to this annexation for the following reasons:

1. The residents of the area had their wishes totally ignored by the Commission. At the hearings in Kodiak on 16 August, 1978, not one resident testified in favor of this action. In fact, there was overwhelming opposition. If for no other reason I feel this fact should have a bearing on the decision.
2. I do not believe that we are urban in nature which is one of the criteria for annexation. The standard lot size is one acre or larger with one-third of the land being undeveloped.
3. I do not believe city services are required. The roads in the area are state or privately maintained. Police protection is provided by the State Troopers. Water is available through wells or user paid water lines. Sewer service will be obtainable at less expense through a service district plan.

Once again I ask that you cast your vote <u>against</u> the annexation proposal. Thank you for your time and consideration of this matter.

Sincerely yours,

Norman D. Wooten

Norman D. Wooten

1/3-1/79 - For my file - Please ~~do~~ give ~~this~~ to Peggy for distribution to other Senators. Thanks 9/

Kodiak Boro. Assembly Locale

P. O. Box 37
Kodiak, AK 99615

Chairman,
Senate Committee on Community & Regional Affairs
Pouch V
Juneau, AK 99801

Dear Sir:

In this day and age when the American government is supposed to be going back to the orginal ideals of our founding fathers of government for the people, by the people, of the people, Alaska seems to be somewhere back in the Dark Ages.

Recently here in Kodiak a local boundary commission was appointed to look into the annexation of several borough areas. For this purpose a hearing was held at which several residents of these areas in question participated. Every resident who testified at the boundary commission hearing was against annexation. Yet despite that fact, the boundary commission decided to go through with the annexation.

What does all this have to do with you and the Alaska State Legisture? You can set right this injustice by disapproving the annexation in this legislative session, otherwise we will have annexation forced down our throats.

We are totally against annexation - if for no other reason than the way our "local government" went about the procedure, disregarding the wishes of those citizens who are effected.

Hopefully, the Alaska State Legislature will demonstrate what democracy is all about by disapproving this forced annexation.

Sincerely,

Mr. D. ~~B.~~ Pistorese

C. M. Pistorese

Mrs. C. M. Pistorese

cc: Chairman
House Committee on Community & Regional Affairs

President
Alaska Senate

Speaker
Alaska House of Representatives

Chairman,
Senate Committee on Community
and Regional Affairs
Pouch V,
Juneau, Alaska 99801

RE: FORCED ANNEXATION IN KODIAK

January 15, 1979

Dear Sir:

We live in the sub-division known as Woodland Acres. It has come to our attention that this area is one of the areas that the Boundary Commission feels should be incorporated into the City of Kodiak.

A few months ago the Boundry Commission came to Kodiak and residents of the proposed areas of annexation by the City met in a public meeting. Of the more than 100 people present, the only person in favor of annexation was the City of Kodiak's City Manager. This should speak out as the view of the people involved in this annexation. Apparently, the Boundary Commission was blind and deaf for they still want to annex these areas into the City. How can this happen in a democracy? That is why we are writing this letter.

The reason we live in the area we do is for the privacy full acre lots afford. This is not our opinion alone, but shared by many of the people who live here. If our property was annexed into the City, we would be forced to sub-divide our property, or the taxes would be too costly for us to pay.

We have lived on our property for two years. In order to build our house, we had to spend $6,000 for a well and $1500 for our sewage system. Now the City wants to incorporate us and make us pay more money for sewer assessments and water assessments, both of which we proably won't see for 10 years. The City cannot even provide these services to all the residents within the City as the boundries stand now, how can they afford them for new residents.

The services the City says that it will provide are already received through the Borough. 1) Roads are presently State maintained or privately maintained. The City proposes to maintain only 2½ miles of road in the entire area. The City cannot even maintain roads that are within a half mile from City Hall! 2) Fire protection is presently provided through a service district. 3) Police protection is currently provided by the State Troopers.

WE DO NOT NEED OUR TAXES INCREASED!! WE DO NOT WANT TO BE INCORPORATED INTO THE CITY OF KODIAK!! Please hear our plea since the Boundary Commission ignored it!! Please do not force us from the land and privacy we, the residents of these proposed areas,want and need. Please hold a hearing on the Kodiak City annexation.

Sincerely,

Catherine Olsen
Steven Olsen
PO Box 1574
Kodiak Alaska99615

January 27, 1979
Box 2069
Kodiak, AK. 99615

Arliss Sturgulewski
Chairman, Senate Community &
Regional Affairs Committee
Pouch V
Juneau, AK. 99811

Dear Ms. Sturgulewski:

I am against FORCED ANNEXATION. We in the area that the City of Kodiak and the Boundry Commission are trying to force into the City moved in this area to be outside the City, and enjoy the wide open spaces. If we wanted to live in the City we would have built a home there 15 yrs. ago and not where we all chose to live. Also I would have moved to Russia if I wanted to live under dictatorship.

Our Great Borough Government gave us an opportunity in Service District #1 to vote for or against a Service District and what improvements we wanted. The first was water; the second was sewer and the third was roads. The Borough was not biting off a bigger chunk than they can chew, like the City wants to. The Borough had Engineers draw up Plans and Specs for our Water and Sewer Service District and we are all set to go and then the City Convinces the Boundry Commission to Force us in as the City is broke and needs our tax money to bail them out: but we will not get the Services.

Furthermore no one wants to live under the City Charter as it reads now, as it is not according to Alaska State Statutes and someone in Juneau should look into this.

Please give us some consideration of "freedom to vote" as this is very important to all of us. Thank you for listening.

Sincerely,

Lorna Lee Arndt

Lorna-Lee Arndt
Block 1 Lot 12B
U.S.S. 3219

I own a total of 12 Big lots in this same area and my married son owns 13 lots next to mine.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#

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PMS SENATOR ARLISS STURGULEWSKI

POUCH V

JUN 99811

PLEASE TAKE THE NECESSARY ACTION IMMEDIATELY TO DEFEAT THE ANNEXATION PROPOSED BY THE CITY OF KODIAK AND RECOMMENDED BY THE BOUNDARY COMMISSION. GIVE THE PEOPLE A VOICE IN THEIR OWN DESTINY.

SANDY KAVANAUGH

January 26, 1979

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Attn: Bill Parker, Chairman
House Community & Regional Affairs Committee

Hon. Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee

Re: Opposition to City of Kodiak Annexation Attempt

Dear Governor Hammond:

In 1965, I lived in the La Lande Addition, adjacent to the City of Kodiak. The lots were 50 X 100 feet and there was a trailer court in our vicinity. We petitioned the City of Kodiak to be annexed that year because of the need for sewer services. We were annexed in 1966.

We have a City water system that was installed with antique fittings. So poor is the City's public works capabilities that the Fitzgerald Welding Shop had a fire and was gutted because the fire department did not have the tools available to open the hydrants. It was only after the disastrous fire that modern hydrants were installed by the City. I continued to live in the same location until 1969, and the requested utilities had still not been installed. During the period of residence the only thing that I ever received were several tax increases from the City. The records of the City Public Works Department will show that the sewer was not installed until fall of 1973. The City of Kodiak's total lack of public works capability is not only well known, but easily documentable.

The City says they are broke and that they need the taxpaying participation of citizens outside the City to help underwrite the cost of services being rendered to City residents. The only thing that I can see that I will receive from the City of Kodiak are tax increases, as their past record shows. I request that you and your Administration and our Legislative representatives work aggressively against this forced annexation.

Sincerely,

John Morton

John Morton
PO Box 44
Kodiak, Alaska 99615

cc: Hon. Bob Mulcahy, Alaska State Senate
Fred Zharoff, Alaska State House of Representatives
Community & Regional Affairs Committee Members -
State House & Senate
Alaska State Legislature

rec'd 2/6/79

Tim & Diane Haigh
1119 Mission Rd (P.O. Box 34)
Kodiak, Alaska
99615

January 31, 1979

The Honorable Arliss Sturgulewski
The Honorable Bill Parker

Dear Senator and Represerative,

I'm writing in the concern of our land which is in the area which Kodiak is trying to annex. We are in the process of building our house and hope to move into it by this spring. We bought this land because we wanted to live outside of the city. We do not want to be apart of the city. So we are making our voice heard.

Thank you for your concern on this matter.

Sincerely,

Mrs. K. Diane Haigh
Timothy A Haigh

Box 15
Spruce Cape Road
Kodiak, Alaska 99615

The Honorable Arliss Sturgalewski
Alaska Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Sturgalewski:

This letter is in regard to the annexation of Spruce Cape, Mill Bay, and Island Lake into the City of Kodiak. We do not wish to be annexed as we do not feel the city can provide us with any better service than we presently have. We have voted against annexation twice but this time we were not allowed to vote. We feel we are being forced to become part of the City of Kodiak against our wishes.

I would urge the Legislature to overturn the decision of the Local Boundary Commission. I would also ask that a hearing be set so that testimony can be heard. Thank you for your attention.

Most sincerely,

Beverly R. Horn
Beverly R. Horn
Louie J. Horn
Louie J. Horn

cc: Sen. Pat Rodey
Sen. Tim Kelly
Sen. Terry Stimson
Sen. Bob Mulcahy

TAX CONSULTANT
ACCOUNTANT
PHONE: 486-5359
BOOKKEEPER

"Jo" Hajdu
P. O. Box 627
Kodiak, Alaska 99615

January 25, 1979

Dear Senator Stunguleweski:

I am greatly concerned about claims made by the City of Kodiak in the past several months concerning the underlying "necessity" for its annexation efforts. The City has alleged that annexation is required if it is to provide utility services sought by residents outside the municipal limits.

In fact, the City has every right to provide these services right now, without any annexation. Under Title 29 of the Alaska Statutes, municipalities owning or operating utilities are specifically authorized to extend their services outside the municipal limits. The City's own charter grants the identical power.

in addition, it is the Borough's position, currently being pursued in the courts, that the City not only has the "right" to provide these residents with water and sewer services, but is actually under an obligation to do so in light of agreements negotiated previously with the Borough and conditions attached to sewer and water funds provided the City under Federal and State grants.

Since utility funds are self-supporting, with the full costs paid by the users, there would be no cost to the residents of the City. I think it could be documented that the surcharge on the present water users outside the City results in a profit to the City. Further, until such time as sewer service is provided outside the City boundaries, the entire costs of the very expensive new sewerage treatment plant are being borne by the residents of the City, so it would be to the benefit of the users inside the City to expand the user base.

It is hard to believe that a municipal government such as the City of Kodiak would deliberately mislead the people of this area. Yet it is my opinion that such deliberate misrepresentation is precisely what has taken place. It is hoped that the municipal body which would seek to achieve annexation through such means will not be afforded the opportunity to govern those citizens it has attempted to deceive. Perhaps this is one of the reasons that the majority of the people living outside the City have elected to form service districts to take care of their needs as they perceive them.

Sincerely,

JO HAJDU

January 19, 1979

Honorable Arliss Sturgulewski
Chairman Community & Regional Affairs
Committee for the Senate
Pouch V
Juneau, Alaska 99811

Dear Sir or Madam:

I wish to state my opposition to forced annexation by legislative action.

As a resident of Spruce Cape Road, Lots 8 and 9, U. S. Survey 3100, Kodiak, Alaska, I am against being annexed by the City of Kodiak.

Sincerely,

Margaret D. Duros

Margaret D. Duros
Box 867
Kodiak, Alaska 99615

29 January, 1979
Box 3016
Kodiak, Alaska
99615

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska
99811

Dear Senator Sturgulewski:

As you are chairman of the Senate Committee on Community and Regional Affairs I am appealing to you to overturn the decision of the Local Boundry Commission to annex a large portion of the Kodiak Island Borough into the city of Kodiak.

In my letter to you on January 16, 1979, I stated some of the reasons I was opposed to this action. The longer this issue goes on the more I feel as if I am being "railroaded" into something undesirable. If an election were held in the affected area and the majority were for annexation I would abide by that decision. However, having been in contact with most of those residents I find that the desire is to remain outside the city.

I am very concerned that our state system allows and encourages a five member commission who are not residents of an area to come in and make a decision so against the wishes of those who reside in that area.

I respectfully ask that you use your position as chairman of the reviewing committee to vote <u>against</u> the annexation into the city of Kodiak.

Sincerely yours,

Norman D. Wooten

Norman D. Wooten

23 January 1979
Kodiak, Alaska

The Honorable Arliss Sturgulewski
Alaska State Senate

Dear Senator:

I have been an Alaskan resident in Kodiak for 31 years and am in total opposition to the forced annexation of my area to the City of Kodiak for the following reasons:

1. The area is still very suburban in nature due to large lots, most of which are over one acre in size, one has 67 acres. In order to pay taxes and assessments on this size lot at this time, many of us would have to subdivide and sell part which would defeat the reason we moved out here.

2. The Antiquities Act — Proposition 13 —— so many issues are showing us that people, yes Alaskans too do care "how" they're governed and when "enuff is enuff".

The people & their wishes should be important in decision making where their property and well-being is concerned. If people are so full of apathy that they don't express their opinions & wishes that is one thing. They deserve what they get. However, expressing such and being able to change inequitable laws and/or reverse decisions not representative of the people affected, is our right as citizens.

3. We know the City of Kodiak is in financial trouble - an article in our local papers now and again verifies this but must we pay for their mistakes and get nothing in return? We pay the city sales tax on everything we purchase in the city and everything that is delivered to us such as oil, propane, etc..... We also pay the Borough Personal Property Tax which city residents don't.... The Borough contributes to the city library on our behalf, swimming pool and gym are Borough. we who have city water pay a higher usage rate and we have and pay for a fire district.

People in the Borough recently voted for new service districts in the event they are needed, and only one area is in need of any particular service at this time which can be taken care of without being annexed. The Borough and City has an agreement contract stating the city will supply non-residents with services they are willing to pay for and want. Otherwise, the majority of the people are content with things as they are.

4. We residents organized and have circulated petitions in the affected areas and in the City. For myself I have had one person refuse to sign saying he was involved with the city over property he owns. Within the City I've only had two people not sign. Most people are well aware that the revenue the City would derive from our property couldn't pay for much service. I sincerely believe they only want us as a tax base for bonding purposes.

I am very suspicious of people or governments that go behind my back in order to get something done which affects me and mine so deeply.

If and when a majority of the people in my area by a vote feel it best to annex I would go along peaceably. None of the people in the City or in the affected areas were consulted on this matter - but treated like we weren't old enough to blow our own nose!!

Would much appreciate your careful consideration in helping to reverse the Boundary Commissions decision in this matter. Thank you for "listening".

ENC: Flyer put out & paid for
by organized residents
of affected areas.

Sincerely,
June Juelson
Mrs. June Juelson
Box 286, Kodiak, Ak. 99615

CAN YOU AFFORD FORCED ANNEXATION?

Despite what the City of Kodiak says, annexation will cost you money . . .

. . . The present City mill rate is 16.1; the mill rate outside the City is 7.0. The proposal for differential tax zones in the annexation area is only a recommendation of the City's annexation committee--six residents of the area to be annexed. The City Council is not obligated to accept the recommendation. AFTER ANNEXATION TAKES PLACE, THE CITY COUNCIL CAN LEVY ANY TAX RATE IT WISHES--REGARDLESS OF THE WISHES OF AREA RESIDENTS.

. . . Fire insurance rates will not decrease because of annexation. Insurance rates are set by a national rating association. Lower rates would require a fire substation and fire hydrants as well as fully maintained roads, higher water pressure and more fire equipment and personnel for the larger area.

. . . Assessments for water and sewer, to be based on the square footage of each lot, will be inequitable. A homeowner on a 200' x 150' lot will pay five times more for water and sewer than a homeowner on a 60' x 100' lot. Unimproved lots will also be assessed for water and sewer.

. . . New trailers <u>will not</u> be allowed in the area, causing housing costs to rise.

. . . Costs of government will increase. The Borough government will continue its present functions so its costs won't decrease, BUT the City's costs will increase with a larger area to be serviced.

Borough residents already pay for the services they use. Almost half the City's revenue comes from sales tax; only about 9% comes from property taxes. It has been estimated that more than half of the sales tax is paid by non-City residents. Why should you be forced to pay more money?

ANNEXATION WILL NOT NECESSARILY IMPROVE SERVICES

. . . The City's record on road service is poor. Many roads inside the city are unpaved and poorly maintained. Just a few examples: Cope Street, High Street, Baranof Heights, Russell Estates, East Addition, Leite Addition.

. . . The City plans to improve sewer and water service only in certain parts of the annexation area.

. . . Recreation facilities are already available through the Borough-donated swimming pool and gym. The Borough contributes to the support of the A. Holmes Johnson Library for use by Borough residents.

. . . The City police force may be adequate for the present city area, but it would not be able to cover the large area to be annexed.

. . . "Early and special representation" allowing a resident of the area to be a non-voting member of the City Council is an empty promise. Any person may attend Council meetings, and the inequity of not having a vote is the central issue in forced annexation.

WHAT CAN YOU DO?

This forced annexation can be overturned by the Alaska State Legislature if it acts to di: pprove the annexation in the legislative session beginning Januar: 15. If the Legislature does not act, the annexation will take place. YOU CAN INFLUENCE THE LEGISLATURE:

1. A petition opposing forced annexation is presently being circulated. Both residents of the area to be annexed and city residents may sign the petition.

2. Write to the Chairman, Senate Committee on Community and Regional Affairs and the Chairman, House Committee on Community and Regional Affairs, Pouch V, Juneau, AK. 99801. Request that the committees hold a hearing on the Kodiak City annexation and urge them to recommend that the Legislature disapprove the annexation.

PLEASE TURN THE PAGE FOR MORE STEPS YOU CAN TAKE TO DEFEAT FORCED ANNEXATION

Kodiak Annexation

18 January 1979
Kodiak, Alaska

The Honorable Arliss Sturgulewski
Alaska State Senate

Dear Senator:

I am writing you as chairman of the committee for Community and Regional Affairs, to ask that your committee investigate the apparent loss of citizens right to be heard as regards the Boundary Commissions position on the forced annexation of the approximately 2,000 acre's north of the City of Kodiak. As a resident of Kodiak for over 31 years, I have never seen a more flagrant disregard for the people than this.

Although permitted by Alaska Statutes, the intent of the Legislature could not have been to put the residents of the whole community at the mercy of commercial interests and a few misguided local politicians.

As chairman of "Borough Residents for Autonomy" for the past two months, I have discussed this issue with hundreds of local residents. My findings to date are that 95% of those residing outside the city oppose this forced annexation and at least 85% residing inside the city also oppose it. If it's against the wishes of the majority of the people, why should it be allowed to happen?

Thank you for your careful consideration of this matter.

Sincerely,

Dick Juelson

Dick Juelson, Chairman
Borough Residents for Autonomy

DJ:jj

copy to committee members

R. D. "Dick" JUELSON
P. O. Box 286
Kodiak, Alaska 99615

26 January 1979
Kodiak, Alaska

The Honorable Arliss Sturgulewski
Alaska State Senate
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Please place the names of: Dick Juelson, Okey Chandler, Lorna Arndt, and Nick Szabo as persons to be heard for testimony at any hearing held to investigate and/or gather information about the opposed forced annexation here in Kodiak.

Respectfully,

Dick Juelson

Dick Juelson, Chairman
Borough Residents for Autonomy
Box 286
Kodiak, Alaska 99615

Copy to: Bill Parker, Chairman CRA
House of Representatives

Kodiak annexation

January 22, 1979

Hon[illegible]y Hammond
Gove[illegible]or
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

I am circulating a petition that opposes forced annexation. I have several hundred signatures from the proposed annexation area. Ninety-five percent of those contacted signed the petition. The remaining five percent did not sign for religious reasons and other affiliations.

About eighty-five percent of City residents contacted have signed the petition opposing annexation.

We solicit your assistance in defeating this issue.

Sincerely,

Okey Chandler

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

cc: Hon. Arliss Sturgulewski
Hon. Tim Kelly
Hon. Bob Mulcahy
Hon. Patrick Rodey
Hon. Terry Stimson



I think Mr. Chandler is trying to tell us something! I will have to write Kodiak this week but still prefer annexation by Municipality of [illegible]

File
Kodiak

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 22, 1979

Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Sirs;

Although time is running short this letter is intended to bring about some action on the part of the State Legislature to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

Another pertinent fact is that the area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one third of the land area is undeveloped.

City services are not required in this area. Fire protection is presently provided through a service district; roads are presently State-maintained or privately maintained; police protection is provided by the State Troopers; water is presently available to the majority of the area and is paid by user fees; sewers can be provided through service districts in those areas where sewers are needed.

We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,

Ron Matsuoka

Melissa Newton

cc: Chairman, Senate Committee on Community and Regional Affairs
Chairman, House Committee on Community and Regional Affairs
President, Alaska Senate
Speaker, Alaska House of Representatives (copies for the Senate and House enclosed)

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 25, 1979

Arliss Sturgulewski
Senate Chairman Committee on Community and Regional Affairs
Pouch V
Juneau, AK 99801

Dear Chairman;

Although time is running short this letter is intended to bring about some action on the part of the Community and Regional Affairs Committee to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

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We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,

Ron Matsuoka
Ron Matsuoka

Melissa Newton
Melissa Newton

cc: Terry Stimson
Bob Mulcahy
Margaret Branson
Patrick O'Connell
Fred Zharoff
Bill Parker
Patrick Rodey
Tim Kelley
Ray Metcalfe
Charles Parr
Patrick Carney

January 31, 1979

ana 2/5/79

The Community & Regional Affairs Committee
Arliss Sturgulewski: Chairman
Pouch, V.
Juneau, Alaska 99801

Attention: Arliss Sturgulewski;

This letter is to inform you and your Committee that the vocal minority, that is opposing annexation does not reflect the feelings of the majority in the city or the areas to be annexed. Nor do they offer an alternate solution to bringing about the badly needed services that Kodiak needs.

I am hopeful that in your wisdom or knowledge that you will base your support on the issue of facts in your inquirey, and not on the very vocal minority, as the majority is usually passive and not very vocal. Annexation is the last tool at our disposal to bring about the needed services, as a proposition to elect a unification charter commission and, or a proposition to grant service districts powers to the borough was voted down in our last election.

I leave the question to you; what other choice do we have other than annexation?

Sincerely,

Bob Brooks

Bob Brooks
Box 232
Kodiak, Ak.
99615 Resident: Spruce Cape area

c.c. to:

Clem Tillion	Pres. of the Senate
Bob Mulcahy	Senator, Vice Chairman of the Committee
Terry Gardner	Speaker of the House
Bill Parker	Chairman of the Committee
Fred Zharoff	Representative

January 31, 1979

The Community & Regional Affairs Committee
Arliss Sturgulewski: Chairman
Pouch, V.
Juneau, Alaska 99801

Attention, Arliss Sturgulewski;

This letter is to inform you and your Committee that the vocal minority, that is opposing annexation does not reflect the feelings of the majority in the city or the areas to be annexed. Nor do they offer an alternate solution to bringing about the badly needed services that Kodiak needs.

I am hopeful that in your wisdom or knowledge that you will base your support on the issue of facts in your inquirey, and not on the very vocal minority, as the majority is usually passive and not very vocal. Annexation is the last tool at our disposal to bring about the needed services, as a proposition to elect a unification charter commission and, or a proposition to grant service districts powers to the borough was voted down in our last election.

I leave the question to you; what other choice do we have other than annexation?

Sincerely,

Bob Brooks

Bob Brooks
Box 232
Kodiak, Ak.
99615 Resident: Spruce Cape area

c.c. to: Clem Tillion Pres. of the Senate
Bob Mulcahy Senator, Vice Chairman of the Committee

Terry Gardner Speaker of the House
Bill Parker Chairman of the Committee
Fred Zharoff Representative

3 January 1979

2/5/79

RE: Local boundary commission proposal for Kodiak annexation

Dear Legislature:

I would like to go on record expressing my objection to the proposed boundary commission proposal for annexation to the city of Kodiak. In 1946, I obtained title to my homestead and have had continuous residency there since 1950. In 1973, I subdivided 19-one acre lots and have sold 12 of these lots. In 1973, I sold 100 acres to Mr. Al Schafer, who in turn, subdivided aobut 30-one acre lots. The remaining 67 acre parcel has been advertised for sale for six or seven months. However, the costs of development and the pending threat of annexation have discouraged buyers.

If there is a need for the development of this property, it can be developed through the Borough sewer, water and road service district, which we in the area voted for, without annexation, or the additional improvement, assessments and 9 mill city tax.

There is a 40 acre tract in USS 3515 adjoining my property with only one house. There are only 10 houses on my 160 acre homestead in US Survey 1682.

At this time, we feel the proposed annexation is premature. It should be postponed a few years until the need for full city services exists and the area has the population base necessary to support those services. Forced annexation to the city would leave me in dire circumstances, as I am 85 years old.

I think the members of the legislature should visit Kodiak prior to letting this happen. On that visit, I am sure you will discover many parts of the city which need and pay for city services, but are still waiting to receive them.

I respectfully request your support of a resolution rejecting this proposed annexation. If I can provide you with more information on this matter, please let me know.

Sincerely,

B E Nachtweih

B.E. Nachtweih, Alaskan
P.O. Box 1247
Kodiak, Alaska 99615

no addres

8 March 1978

To Whom it may concern,

The purpose of this letter, is to illustrate, through relating a series of past events, what I perceive to be a general lack of concern for the other guy or what could be termed an "every man for himself," attitude.

I had heard of Russell Estates and their "sewer problems" but was assured that my new house (Jim Smiths old house-Lot 3 Block 3) had already experienced the local problems and through a new pump and line that was installed, should have no further problems. We moved into the house on the twelveth of August 1977.

Everything was going smoothly until November 17th when my neighbor's (John Pirak) and my sewer line froze, breaking my grinder pump and I assume his also. The history on the open sewer lines that froze is somewhat unclear to me but I shall give you an account as best I can determine.

When Jim Smith lived in the house the plastic sewer line was apparently shattered from the main line back-pressure. This caused my contractor, Richard Carr, and Tac Plumbing to arrange to have a copper line installed to withstand the high pressures introduced by the less-than-sufficient sewage system laid by Russell Estates. Perhaps a one-way check valve would have been in order, at the street connection. I don't believe this was done, as I have street pressure on my house line even now.

The new copper line rests mostly on John Pirak's land and is a common line for both our houses, with each house tapping into the system through a "Y" type connection to the single line. This single line concept was probably adopted in order to reduce the high costs of the special materials involved in the fix.

Now we know how and why the open copper sewer lines were there, but not why they were left uncovered or whose responsibility it was to cover them, nor has anyone involved accepted the responsibility.

It should also be mentioned at this point that John Pirak's grinder pump and lead-in lines were open to the elements and unprotected from any possible freezing situation. Sometime after the sewage line replacement and before I bought the house, my grinder pump lones had also blown and had been replaced by Tac Plumbing with copper lines. As can be confirmed by Bradley Plumbing, the heat tape previously installed on the plastic lines was left laying on the bottom of the pump housing and consequently those lines were frozen. No indication of these problems was related to me by Jim Smith so I had assumed they did not exhist.

So much for the background. Now that my pump has quit and I have water all over my house (Nov 17), I called my contractor (Richard Carr) note- (house still under warranty) and explained the situation to him; careful to mention that I'm sure the line is frozen and the pump broken, and requested that he, as the contractor, make arrangements theough the responsible parties, to repair the problem. The reason I suspected a broken pump is that I had the complete service manual and trouble shooting guide on loan from the neighbor on the other side of me (who had recently experienced a similar problem), which clearly explained that a blocked line would most likely cause the pump to fail.

Richard Carr called Bradley Plumbing andthey arrived at the house some time later and examined the problem. He said,"the sewer line was frozen"!!! He then called his supervisor who apparently called Marine Welding Service to come and thaw the lines. Even though the line was then thawed, my pump, as suspected, failed to work: For that visit I was charged $36.05 by Bradley Plumbing for the service call and $30.90 by Marine Welding for thawing the line.

Bradley Plumbing ordered the repair parts for the pump; and I, as a back up, ordered them also. Our parts arrived at the same time about the 18th of December. This was for us, one month with no sewage. Not a pleasant experience when you've just bought an expensive house and its the holiday party season.

I had, in the meantime, talked with Richard Carr, still seeking his assistance in placing the bills in the hands of the responsible people.

I made arrangements with Bradley Plumbing to have the pump repaired the afternoon of 20 December but was greeted by the work crew at 08:30 a. m. when I was returning home from work. The men had just turned the circuit breakers off in the house and were ready to begin repairs. The next thing they did was cut the two electrical wires leading to the pump. One line was still hot and on the same line with my refrigerator. In my opinion a very dangerous and non professional approach. I mentioned I had the step-by-step instructions for pump removal and repair but they chose not to use them. They did remove the pump, take it to the shop, repair it, replace it, and it worked. The cost was $200.87 for two men for three hours minus $24.02 for parts. My neighbor indicated that he could do it in from one to two hours.

Incidentally, I covered the sewer lines myself to prevent freezing. Bradley Plumbing, after replacing the broken parts in the pump, reinstalled the heat tape on the lead-in lines and confirmed it was working. These lines later refroze, even with the heat tape on, indicating the initial installation was not adequate to withstand the winter environment we experience in Kodiak.

Meanwhile, John Pirak's contractor (Mr Nylund), had put some heat tape and insulation on his pump and lines. They were, quite obviously, inadequate as their pump and lines refroze. John Pirak has had his problems too. After returning to Kodiak after his Christmas Vacation, he discovered his sewage system was not working properly. I don't know just what series of events led up to the present day situation, but I do know that about the fourteenth of February he began dumping raw sewage between our houses. The City was notified of this that day and a Mr. Herman Beukers came out and evaluated the situation and talked with John Pirak and myself. I had thought that this would be sufficient to "get the ball rolling" and clear up this problem. I was wrong, as I found out when I had returned home from an extended trip to Seattle on the 25th of February. Raw sewage was still being dumped between our houses routinely, and in its flow to Lily Lake was passing under my house. The stench was, and is, terrible. On Monday, the 27th of February, I called the City Manager and explained the situation to him and my displeasure that the situation had progressed unchecked. I had called John Pirak first to find out if anything was being done, to which he replied "no". It should be noted that even though I would not,and did not dump sewage during the month my system was out, there are people with different values,and under these circumstances, they cannot be faulted entirely in this matter. At least this time my phone calls prompted some action and the following day his system was again hooked into the sewer system and "magically" worked. If you should check with the weather bureau you would notice the temperature had been above freezing for several days and had undoubtably thawed the lines allowing his pump to again work. I believe this whole evolution is based on the simple fact that liquids freeze when not properly insulated from the cold.

Everyone is again happy and contented for the moment but; wait a minute, are John's pump and lines freeze-protected? No! they aren't and he is gone out on another Crabbing trip. Effectively there has been no long term solution introduced and the situation is likely to occur again at any moment.

Although I duscussed, in detail, all the aforementioned circumstances with each person involved, no one would acknowledge and accept the responsibilty for the occurrances or admit to a lack of professionalism. The common putoff was "I'll look into it", "The City is responsible", or " The other guy should have done it".

I intend to send a copy of this letter only to the people mentioned on the distribution list for now and will hold my final judgements until everyone has had ample time to respond to this and possibly bring new light on the situation and work out a reasonable answer to why this has happened, and correct those discrepancies that now exhist.

I have decided that the financial responsibility for my above mentioned problems, rests with Richard Carr and that he, in turn, should redeem whatever monies he feels he is due from the responsible individuals.

I would hope to have more pleasant relations with everyone in the future but realize few people are appreciated by those who bring them to task. It should also be noted that throughout this affair I ahve not lost my temper and my primary concern has always been to correct those faults that should never have occurred in the first place.

Sincerely yours,

D. R. Jetts

Distb:
Richard Carr
Bradley Plumbing
Tac Plumbing
City Manager
John Pirak

December 13, 1978

Legislator
Pouch V
Juneau, Alaska 99811

Dear Legislator:

On October 6th the Local Boundary Commission made a decision to propose the annexation of* Island Lake, Spruce Cape and Mill Bay to the City of Kodiak. As you know, this method of annexation does not give the affected resident a voice in that basic decision.

* all affected area

When you take away someone's right of choice, even if sanctioned by State law, you had better have a good reason, a dire need. Because you have taken away something you can't give back.

I am the chairman of a group formed by a large number of residents in the area that has been recommended by the Local Boundary Commission. We will be forwarding information, facts and reasons why we feel so strongly that the Alaska State Legislature should disapprove that recommendation.

We request your serious consideration of this issue, as on the face it appears to be just an annexation, but in reality it threatens for us the very essence of representative government.

Sincerely,

Dick

Dick Juelson,
Chairman
Borough Residents for
Autonomy

cc: Governor Jay Hammond
Commissioner, CRA
Chairman, Local Boundary Commission

File

December 21, 1978

Dear Legislator:

On behalf of the residents of the Spruce Cape, Monashka Bay, Mill Bay and Island Lake areas, I am seeking your assistance and that of your colleagues in the State Legislature in requesting that you support a joint Senate/House resolution, overturning the Local Boundary Commission's recommendation that these areas be annexed into the City of Kodiak.

As expressed in the attached letter to the Boundary Commission, the residents of this annexation area have not voted for annexation. They feel they do not need and cannot afford the full range of City services at this time. The recognize the need for sewer, water and road services as expressed by their vote when they approved a Borough service area to provide these services.

As you know, following that election the City of Kodiak took legal action to enjoin the election, even though their efforts to obtain a restraining order to bar the election were overruled by the Kodiak Superior Court. A final decision on this issue is still pending.

We recognize the State Constitution and the State laws of Alaska allow the Boundary Commission the power to annex areas regardless of the citizens' wishes; therefore, we ask your assistance in exercising your constitutional power to overturn this decision, by allowing free people the constitutional rights guaranteed by the U. S. Constitution to express themselves in a free election the type of local government they wish to represent them, and the types and levels of service from government they feel they need and can afford.

I am sending a copy of this letter to Governor Jay Hammond and each member of the Alaska State Legislature. I will also be forwarding additional materials to you during the discussions on this issue as I am sure other citizens of this area will also be doing.

Again, I ask your assistance and vote to undo what is about to be done to those of us who will be included in this annexation area.

Yours truly,

Okey Chandler

Okey Chandler

ANNEXATION HEARING

MAY 20, 1978

The Boundary Commission should not consider forcing anyone to be a part of the City before City government is in the framework of the U. S. Constitution.

October, 1977 City voters voted for everyone to pay their own personal property taxes instead of the City paying them. December, 27, 1977, several of the biggest businessmen, millionaire boat owners, etc., appeared before City Council and requested they override the referendum and they did. The City will pay their taxes until January 1, 1979.

Most cannery workers are paid $4.00 to $4.50 per hour. About 8 years ago, it was voted to tax rent. Labor in the City is taxed.

Last summer City Manager, Mr. Widom, stated that the City was going broke and found new things to tax: lawyer fees, Sears orders, freight and parcel post. A Sales Tax Inspector and Collector was hired.

At the last Council meeting, it came up to raise the sales tax $.02.

After looking at tax assessments and large businesses in the core area, it is obvious that most of them are paying taxes on 1965 valuations. Land values have risen 5-30 times as much in outlying areas.

Approximately 20 years ago, residents of the Mission Road area voted to be annexed to the City. Lots in the area were 1,000 to 6,000 square feet. Land value doubled in a year or two. In 5 to 6 years, the assessed value went up 20 times more than they were when annexed to the City. Allman Addition was annexed in 1965. Several

hundred people lived in both of these areas.

Area: Catholic School - 80 Acres, Annexed 1967.

Area: Kodiak Community College - 80 Acres, Annexed 1965.

Area: Hospital and Graveyard - 50 Acres, About 1966 Annexed.

Sealand Cargo Dock was annexed in 1977. They were paying $17,000 taxes and now pay no taxes.

Gibson Cove was annexed in 1976. No one lives in this area. The Borough is losing money.

There have been 15 to 20 other annexations. For various reasons quite a few were to keep from paying taxes on inventory and equipment.

The real property tax amounted to $677,116 in the City in 1977. Sales tax was $1,200,000. More than half of this was paid by people living outside of the City. Over 1/3 of City taxes are paid by people living outside of the City.

The Police Department is budgeted for $813,379 which is $136,000 more than all real property taxes collected in the City.

There were 3800 people living in the City in 1970. This is $214.00 for every person living in Kodiak to support the Police Department. People living outside City limits do not need City Police protection. There hasn't been an act of violence that I have seen in the newspapers outside of the Kodiak area.

The City Manager is grossly exaggerating the facts about services. He stated that 40% of library services were for people living outside of the City. There are about 3 times as many people living in the City as in the immediate vicinity. He stated there were 26 fires outside the City in 1977. There have been 2 trailer fires in the Spruce Cape area since December 12, 1977.

The cemetery was public land which was given to the City. The

City doesn't dig any graves. There is another cemetery.

The Ram site is a community project. The City is paid for everything that is landed at the City Dock. I am sure the City makes out.

All of the land in the Monashka Bay area was bought from the Borough or BLM on contract. 70-80% are buying in new subdivisions on installment. Monashka Bay has about 300 acres and 15-20 houses. USS 1682 has 160 acres about a mile from Island Lake. It is very irregular to be included in Island Lake area and has about 12 houses on it.

USS 3219 - 10 acres, 30-40 houses. Lots are 50 x 100. Many lines were put in 20 years ago and were not buried deep enough.

Any areas that wants an improvement district petitions the Borough and it is placed on the ballot. All water and sewer lines are installed by the City and Borough and are done by contract.

I came to Kodiak February, 1946. There were 2,600 people here then. In 32 years it has grown to 3,800. The projected population growth in the various areas are pipe dreams.

The airport is 5 or 6 miles from Sealand Dock. This is several hundred acres in this area that belongs to the Federal government. No one lives on it. Wien Airlines has a contract for security check. The City is paid, if this is annexed the City will probably tax freight, and tickets and everything else they can tax.

The only government we have in Kodiak that abides by the U. S. Constitution and common law is the Borough government. If this vast area is annexed to the City it will destroy what is left of democracy in this area.

The City is broke and seeks this large annexation to bail them out. The City Manager and City Council that sent for you never spent a day on the firing line to keep democracy alive. I request that you deny this petition for annexation.

Okey Chandler

Okey Chandler

TAX CONSULTANT
ACCOUNTANT
PHONE: 486-5359
BOOKKEEPER

"Jo" Hajdu
P. O. Box 627
Kodiak, Alaska 99615

December 19, 1978

Dear Legislator:

I am a long-time resident of the area recommended by the local Boundary Commission to be forcefully annexed to the city of Kodiak.

I request your assistance in overturning the decision of the Boundary Commission. At the public hearing held by the Boundary Commission in Kodiak the only testimony offered in support of the annexation was given by members of the city council and the city manager, while the meeting place was jammed to overflowing with residents in opposition.

The city of Kodiak has not documented any threat so grave as to deprive the citizens of Alaska of the right of self-determination. The main reason advanced by the city seems to be the need for water and sewer in the area to be annexed, but they have not furnished a time table (or costs) for the provision of these services. Further, I'm sure you are well aware that these services can be provided by the city without annexation. In fact, some parts of the area already have city utilities and pay a surcharge for the privilege.

Utilities are force-fund accounting, paid for by the users, so there is no cost to residents of the city for us to have this service.

It appears to me that the real reason for the city's request to the Boundary Commission is that the city council fears that the Borough Assembly represents a threat to its' power structure. The hapless residents are therefore caught in the middle of this power struggle.

If the decision is allowed to stand, the taxes of the people in the existing city limits and the taxes of the residents outside the city will be increased to provide services which have not been requested and are not desired.

I would also appreciate your support in making statutory changes so that no other citizen of the state will ever find himself arbitrarily placed under a form of government without a majority vote of the persons affected.

Thank you very much for any assistance you may be able to render.

Very truly yours

Jo Hajdu

JH/smf

file

Chairman
Senate Committee on Community and Regional affairs.
Pouch "V"
Juneau, Alaska
99801

Dear Sirs:

I'd like to request the committee hold a hearing on the Kodiak city annexation.

I urge you to recommend that the legislature disapprove of this annexation.

Thankyou,

Randolph Pavela &
Kimberly Steven.
Box 3164
Kodiak, Alaska,
99615

X Kimberly Steven

Ans 2/6/79

Mr. and Mrs. Louis B. Lindsey
Box 951
Kodiak, Alaska 99615
February 1,1979

The Honorable Arless Sturgulewski
Chairman
Alaska State Senate
Pouch "V"
Juneau, Alaska 99811

Dear Senator Sturgulewski:

We are taking this opportunity to express our feelings against being annexed to the city of Kodiak. We have lived in Kodiak 30 years-most of that time living in the Spruce Cape area- on a homesite which we had "proved-up". There have been several attempts during the last few years to take us into the city. These attempts have been made more in the form of threats and untruths than in a co-operative workable arrangment.

Very truly yours,

Mrs. Lindsey
Mr. and Mrs. Louis B. Lindsey

cc: Clem Tillion,Pat Rodey,Tim Kelly

23 January 1979
Kodiak, Alaska

The Honorable Clem Tillion
Alaska State Senate
Juneau, Ak. 99811

Dear Senator Tillion:

I have been an Alaskan resident in Kodiak for 31 years and am in total opposition to the forced annexation of my area to the City of Kodiak for the following reasons:

1. The area is still very suburban in nature due to large lots, most of which are over one acre in size, one has 67 acres. In order to pay taxes and assessments on this size lot at this time, many of us would have to subdivide and sell part which would defeat the reason we moved out here.

2. The Antiquities Act -- Proposition 13 ---- so many issues are showing us that people, yes Alaskans too do care "how" they're governed and when "enuff is enuff".

The people & their wishes should be important in decision making where their property and well-being is concerned. If people are so full of apathy that they don't express their opinions & wishes that is one thing. They deserve what they get. However, expressing such and being able to change inequitable laws and/or reverse decisions not representative of the people affected, is our right as citizens.

3. We know the City of Kodiak is in financial trouble - an article in our local papers now and again verifies this but must we pay for their mistakes and get nothing in return? We pay the city sales tax on everything we purchase in the city and everything that is delivered to us such as oil, propane, etc.... We also pay the Borough Personal Property Tax which city residents don't.... The Borough contributes to the city library on our behalf, swimming pool and gym are Borough. We who have city water pay a higher usage rate and we have and pay for a fire district.

People in the Borough recently voted for new service districts in the event they are needed, and only one area is in need of any particular service at this time which can be taken care of without being annexed. The Borough and City has an agreement contract stating the city will supply non-residents with services they are willing to pay for and want. Otherwise, the majority of the people are content with things as they are.

4. We residents organized and have circulated petitions in the affected areas and in the City. For myself I have had one person refuse to sign saying he was involved with the city over property he owns. Within the City I've only had two people not sign. Most people are well aware that the revenue the City would derive from our property couldn't pay for much service. I sincerely believe they only want us as a tax base for bonding purposes.

I am very suspicious of people or governments that go behind my back in order to get something done which affects me and mine so deeply.

If and when a majority of the people in my area by a vote feel it best to annex I would go along peaceably. None of the people in the City or in the affected areas were consulted on this matter - but treated like we weren't old enough to blow our own nose!!

Would much appreciate your careful consideration in helping to reverse the Boundary Commissions decision in this matter. Thank you for "listening".

Sincerely,

Mrs. June Jackson
Box 286, Kodiak, Ak. 99615

ENC: Flyer put out & paid for by organized residents of affected areas.

1-25-79

an Senator Tillion: P.S.

Rec'd your letter tonight & will answer your question now as best I can.

Spruce Cape: Has City water line put in by ASHA after '64 earthquake. We pay higher user fee. ASHA sold line to City for a very nominal cost. Sewer line is out as far as the treatment plant but no one is hooked up on that new line. A couple residents are hooked up from old line due to City moving out for the school or I believe. They had the chance to hook on & did. No immediate need for sewer but service district has been voted in if & when need arises.

Island Lake - has temporary city water line, no sewer. A definite need in this area - that is why they voted for a service district recently. Property owners would be assessed for the line no matter who put it in. We feel the Borough is in better condition to get bonding that the City. Compact area around the lake only.

Mill Bay & Nonashka - mostly very low density - have own wells and sewer systems. Content as they are. So is Spruce Cape.

We watch Capitol '79 and find it very interesting - sure helps to see you all in there doing your job. We feel closer to you and you must feel closer to us knowing we're watching.

Thanks for your care in this matter. [illegible]

P.O. Box 232
Kodiak, Alaska 99615
1 February 1979

The Community & Regional Affairs Committee
Bob Mulcahy, Senator
Vice Chairman of the Committee
Pouch V
Juneau, Alaska 99801

Dear Bob,

I feel the annexation of Spruce Cape, Island Lake and Millbay to the City is the only practical way to bring about the needed services; sewer, water, police protection and a better utilization of the land in these areas.

In a small community such as ours, two overstuffed governing bodies are both costly and unnecessary. Unifying these areas can and will reflect an overall improvement making these areas a better place to live.

Service Districts under the Borough would be too costly which when realized by the people in these areas would be turned down thereby continuing the unhealthy and undesirable conditions that exist.

Sincerely,

Iris M. Brooks

IRIS M. BROOKS

cc: Clem Tillion, President of the Senate
Terry Gardner, Speaker of the House
Arliss Sturgulewski, Chairman of the Committee ←

Note: Spruce Cape Resident

ans 2/5/79

June 2, 1978

TO WHOM IT MAY CONCERN:

From March of 1974 to September of 1976 I lived on Cope Street, the street that ascends the side of Pillar Mountain from the Sheffield House.

The conditions of the public works and utilities on Cope Street are poor. The road is very narrow allowing only one way traffic. It is seldom graded, and has very limited parking. Occasionally while I lived there the garbage truck could not make it up the road due to heavy snow or ice. This limited the service.

The water pressure on Cope Street is also very poor. Many times I had absolutely no water pressure when my neighbor was using water. This was most inconvenient when I was in the shower and my neighbor flushed his toilet.

Janet Wente

Janet Wente
P. O. Box 2791
Kodiak, Alaska 99615

Phone 486-5725 (office)
486-4991 (home)

E. Neseth

Box 456

Phone: 486 5681

TO WHOM IT MAY CONCERN

Mr. Neseth and I have lived at the end of Cope Streeet since the 1930's when the area was away out of town. Many homes have filled in the area since and Cope Street simply grew in by general use. It is grossly inadequate for the amount of traffic on it, exeeially in the winter when it is too hazardous to drive as serious icing occurs. The overflow from ditching (or whatever) has nowhere but the road to get on, and is an every winter condition. Such a vehicle as the garbage truck has great difficulty maneuvering for a turn-- this is winter and summer. Our private steps from the Base Road level to the Cope Street level past our kitchen window becomes a public thorofare for foot travel at this end. This is naturally a nuisance besides an invitation to who-knows-what mischeif in this day. We don't like it.

Minnie Neseth

Tempe Berestoff
Box 2196
Kodiak, Alaska 99615

June 2nd, 1978

TO WHOM IT MAY CONCERN:

I lived on High Street for five (5) years in house #306. The garbage truck and two wheel drive vehicles cannot travel up this road when deep snow or ice conditions prevail. The road is very narrow with no place to park. One house has no City water.

Sincerely,

Tempe Berestoff

Tempe Berestoff

Phone # 486-5922

June 5, 1978

TO WHOM IT MAY CONCERN:

As a resident on Cope Street from November 1, 1975 to January 4, 1976, I found the public works facilities in very poor condition. There was no water pressure and at best of conditions was not able to wash clothes or shower without being inconveniences by poor water pressure. During our residency there we found that most times we had to park on Rezanoff and Walk up the hill carrying groceries, etc., because there was no parking facilities available on the street. Snow removal activities prevented any parking during that period of time. Because of these conditions my family and I moved to another area.

Laurel Bolden

Laurel L. Bolden
Box 172
Kodiak, Alaska 99615

C. B. Radio Channel 11, call number KAIII 1687
Work Phone, 486-5725

February 2, 1979
P.O. Box 2683
Kodiak, Alaska 99615

House and Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Committee Members;

The City of Kodiak's current taxation policy includes levy of sales tax on goods ordered directly from a point outside Kodiak (i.e. Seattle) when that firm has a representative in Kodiak. They justify this stand on a City Statute which permits such taxation when the goods involved are solicited for within the City proper. This policy results in City sales tax being charged for orders placed directly with the Sears-Roebuck office in Seattle. The City contends that Sears Roebuck catalogs and a Sears Catalog store being in Kodiak constitute sufficient solicitation to support such taxation.

I find this tax policy objectionable and question whether catalogs or the presence of a catalog store in Kodiak qualifies as solicitation - especially for those of us who live outside the city limits. It seems unfair that we Borough residents who live outside, but near the Kodiak City limits should have to pay this tax, whereas persons living elsewhere in the Borough do not.

I learned of this tax in April, 1978 when I placed a placed a fairly large order directly with the Sears Roebuck office in Seattle. Even though I paid for this order (including freight) in advance, I was billed an additional 3% by Sears Roebuck for Kodiak City Sales Tax prior to delivery.

I would appreciate your assistance as a member of the Community and Regional Affairs Committee in looking into the propriety of this taxation. Hopefully, your upcoming visit to Kodiak may provide an oppertunity to look into this matter in greater depth.

Your time concerning this matter is appreciated.

Cordially,

Peter B. Jackson

February 3, 1979

Senator Arliss Sturgulewski
Community & Regional Affairs Committee
Juneau, AK. 99811

Dear Senator Sturgulewski:

The anxiety and activity being generated by the Boundary Commissions annexation statement for an area in Kodiak is touching a lot of people. The flurry seen on top of the pile against annexation does not reflect the thinking of all of us residing in the area affected.

Our elected officials made a statement that they were going to abide by the majority of the voters they heard from. What they should have said is that they would act responsible to the needs of the area to be annexed. Both of our elected officials have lived in Kodiak a long time and are aware of the health problem in the Island Lake area. The Spruce Cape area also has a sewage problem. It is as critical as the Island Lake area but has not had the publicity. A lot of the effluent goes over the bank onto the beach or into swampy or creek areas. I am sure your group deserves a close look at this situation to make an intelligent judgement.

The State Health Department is accutely interested in what will happen. If this area is not annexed and the Borough government attempts to provide the service of sewer and water there could be legal problems to overcome. The services could be delayed and no telling how long it will take the court to come to a decision. Problems like this the officials are aware of and should be paying attention to and not just appeasing the voting public. The animosity against the city a few are carrying in the fight against annexation might cost us all a lot more than just taxes.

I truly think that your group coming to Kodiak and surveying and listening to the people will help the health and welfare of our neighbors. Thank you for your interest.

Very truly yours,

Emil Norton

cc: Clem Tillion, Pres. of Senate
Bob Mulcahy, Senator & Vice Chairman
Terry Gardiner, Speaker of the House
Bill Parker, Chairman of the Committee
Fred Zharoff, Representative

Emil Norton
Box 1002
Kodiak, AK.
99615

RESIDENCE: Cliffside Road
Miller Pt. 2nd Sub Div
Blk #1, Lot #7

February 2, 1979

The Honorable Governor Jay Hammond
Juneau, Alaska

Dear Governor:

We are opposed to the forced annexation being proposed by the City of Kodiak, and the specially appointed Committee on Annexation.

We own three lots within the affected areas and are very disturbed that we are not being allowed to vote on this issue or be taken seriously when we say we are not interested in being annexed into the city. Two of our lots are vacant and our home is on the third. We were planning to build a larger home to accomodate the needs of our family more adequately, but if we are forced into the city it is extremely likely that we could not afford the taxes and other assessments that would be required for sewer and water services (which it seems very unlikely we would receive within a reasonable amount of time). Forced annexation would very possibly force us to sell our larger lot and the hopes of a larger home.

Please take all due action to see that those persons affected by this action on the part of the Kodiak City Council will have their opinions and desires heard, and that an equitable solution be implemented.

Thank you for your interest in these matters and your subsequent intervention as needed.

Sincerely,

Mr. & Mrs. Glenn Dick

Mr. & Mrs. Glenn Dick

cc to all Community & Regional Affairs Comm. Members

Kodiak, Alaska
Feb. 3, 1979

Dear Gov. Hammond;

I am writing in regards to annexation. We have lived out of the city of Kodiak on Spruce Cape Road for 14 years. If we had wanted to be in the city we would of lived in the city. But we ~~par~~ prefer to live in Box.

So would you please help us people on Spruce Cape + Island Lake.

Thank You
We Remain
Don + Mary Mack
P. O. Box 2108
Kodiak, Alaska
99615

P.O. Box 1114
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor :

I am a long time resident of Kodiak. I am unable to work due to a broken hip four years ago. My only income is a small Social Security check. My grandson lives with me and pays my taxes and helps with the groceries.

If this area is annexed to the City of Kodiak, I will have to go on welfare. I request your help in defeating the proposed annexation to the City of Kodiak.

Sincerely yours,
Tennie Riley

Tennie Riley

cc: CRA Committee members of
both Senate & House

Kodiak, Alaska
Feb. 3, 1979

Dear Gov. Hammond;

I am writing in regards to annexation. We have lived out of the city of Kodiak on Spruce Cape Road for 14 years. If we had wanted to be in the city we would of lived in the city. But we ~~dont~~ prefer to live in Bor.

So would you please help us people on Spruce Cape + Island Lake.

Thank You
We Remain
Don + Mary Mack
P.O. Box 2108
Kodiak, Alaska
99615

Kodiak Alaska.
Jan. 30. 1979

Governor Hammond.

Dear Sir:

I wish to object to the annexation of the lands outside of the City of Kodiak.

I am a 34 year resident of Alaska, all in Kodiak. I have lived in the same place for 30 years.

We, the resident voters, voted for a Service district, which will take care of our need for many years.

Most of us have spent many dollars developing our communities, and are happy as things are. If we wanted we would move on.

Being dictated to goes against the grain, and our democratic way of life.

I believe the same as most of the people in the concerned areas, that this is only a way for the City, "Kodiak" to get more ~~to~~ bonding bus; and if the same holds true as in the past. They would not do any improvements for 5-10, meanwhile collecting taxes for which we would get nothing.

Please give this matter some serious thought.

Sincerely

E. E. Erwin
Box 1247
Kodiak Alaska
99615

P.S. I am almost 65 and have voted for you each time

E E Erwin

P.O. Box 1673
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor Hammond:

I am a life-long resident of Kodiak Island and I am opposed to being forced to join the City of Kodiak against my wishes.

It would cramp my life style as the City has too many restrictive ordinances. I would be very grateful if you would do what you can to stop this Forced Annexation.

Yours truly,
Patrick Anderson
Patrick Anderson

cc: Committee on Community & Regional Affairs

Kodiak, Alaska
Jan. 31, 1979

Senator Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee
Iouch V
Juneau, Alaska 99811

Dear Arliss:

Again annexation has stirred up the Kodiak community. I am not sure that I will be in town when your committee comes to Kodiak so thought it best to drop you a line as to my feelings as a citizen of Kodiak. I am a resident of the City, and I believe this matter concerns all citizens of the Kodiak area. We are one community and should function as such.

It is my strong belief that the Boundary Commission has bent over backwards to accomodate the residents of the area to be annexed. I do not believe that the Kodiak area can have proper sanitation or land management until annexation takes place.

You have really been handed a "hot potato", but I'm sure with your experience on the Anchorage Assembly you can handle it very well.

I'm sure you are enjoying your Senate work. Best of luck.

Sincerely,

Kay

Kay Poland

kep/ns

3 Feb 79

Honorable Governor

Last Mo a a city resident that is against the annexation to the east of Kotlik what the boundry commission has proposed for the following reasons

a. It is my personell belief that is not legal at last Morally to force annexation on any group that is opposed as otherwise without a vote of those concerned

b. Like us, Kotlik our city council has a long history of distorting truths to the betterment of big money or for personal gains. It shows in the sewer systems within our city where different contractors have not been forced and built to standards that verge on criminal neglect

Besides the back street problem that I'm sure you are aware of my own home on Regan St was not properly connected. Instead of making the contractor put in a lift station to raise the effluent it is at the rear of our lot + adjoining lots without easements. The line has no fall to it or at least very little causing many clogging of the line. It is a normal occurrence for us to have to pressure force the line open. I've been told by a friend of mine (One of the local plumbers) that this type of problem is common

throughout the city having to pressure flush peoples sewer lines as long as this type of problem has been allowed to continue to exist makes me think it will always be so.

C. as a city resident there is a far overriding need that I am entitled to, and that is my right to privilege there being increased greatly with the annexation the police force has be proposed by 30% the fire department by 20% the city Public works by 25%, with increased in vehicles for police fire trucks a new fire station and a larger and new city public works Maintance shop. The tax base of the area concerned could only support a 6.7% which mean that the most the city would have to make up the last.

D. I hope you will support legislation that will take away the power that is now given to the boundry commission

E. I hope you will check the reasons of the minority of those wanting this annexation a Example is Block who has only a small real property tax base compared to a large personell property base that as a city resident I wouldn't have since the city plays it for its citizens

Let me thank you for at least reading this as former members of the Kodiak Island Borough I'll be happy to give you any assistance

Thomas E Logan

THOMAS E LOGAN
Box 1483
1513 REZANOF
KODIAK · 99615

February 6, 1979

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

After further discussions with more citizens of the Kodiak community, we wish to further advise as to some of the alarming shortcomings of the current City of Kodiak utility system. About eighteen or twenty years ago, the City installed a sewer system with engineering so poor that it was necessary in some instances to install the piping above ground to obtain gravity flow. More than a year passed after the installation before the City would accept hookups to the installed line. People living at the site were without sewer and in the presence of an above ground line, requested that the City cover the sewer line to keep it from freezing. The City advised that the residents should cover it themselves as it was on their property. The City of Kodiak installed two neoprene couplings on the pipe so it could be steam heated when freezing occurred. The line is made of asbestos material which is cracked, a fact which can be examined visually at 1520 Mission Road, next to the Kingdom Hall Church.

The sewer treatment plant which was completed last year, never has worked properly. I doubt if it ever will. I have enclosed a newspaper article describing the technical difficulties resulting from poor design and bad construction. I live about ½ mile from the sewer treatment plant and observe the traffic on the road near the plant daily. A tank truck is required to make regular pickups of undried sludge since the very beginnings of the plant's operations.

A friend and acquaintance, Mr. Van Hulle, who lives at 1315 Ismailov, has said that his sewer line backs up into his house every year or so without any explanation as to the technical problem by the City. Mr. Van Hulle can be reached for personal testimony on the problem at 486-4791, his place of employment, or his home number, 486-3418.

The La Lande Addition petitioned the City of Kodiak for annexation in 1965. The lots in the subdivision were approximately 50 X 100 feet. They were interested in having sewer service. The neighborhood was annexed in 1966 and did not receive any utility service until the fall of 1973.

The above comments and the enclosed printed material give further evidence that the City of Kodiak isn't capable of taking care of what they have now, let alone considering expansion of systems into other areas.

Sincerely,

Okey Chandler

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

Enclosure

PLEASE NOTE

THE ORCINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

DESCRIPTION:

POLAROID PHOTOGRAPH SHOWING A SEWAGE LINE AND BACK OF A HOUSE. CAPTION READS "1520 MISSION ROAD"

Sludge pollutes stream:

City's multi-million dollar sewage plant not working right

City maintenance personnel are still being confounded by the multi-million dollar sewage treatment plant, and the problems have led to serious concern by several local residents.

Apparently secondary waste material, better known as sludge in the sewage treatment business, is being dumped at the landfill site off of the Monashka Bay Road and is polluting a nearby stream.

An investigation by Kadiak Times confirmed reports of the leaking sludge ponds, and Wednesday city maintenance supervisor Herman Beukers said his department is aware of the problem.

Beukers said the sludge being dumped at the landfill site has an 80 percent water content which is causing it to run off from the ponds. He explained the treatment plant's centrifuge and other necessary equipment used to extract water from treated waste is not operating properly.

Consequently he said, the sludge contains far more water than it is supposed to. "Only 20 percent of the sludge is solid waste," Beukers said. He said the city plans to find another spot at the landfill site to dispose of the sludge in order not to further pollute the nearby stream.

The city had planned to dispose of the secondary waste material at Swampy Acres off of the Base-Town Road, however, that area is tied up by Native land claims.

Beukers said that his department knows what is wrong with the centrifuge, the problem is trying to find someone to fix it. He said it could be another two months before the problems can be ironed out.

Ordinarily some 600 gallons of sludge must be disposed of daily, however, the city has been dumping more because of a backlog.

The sewage treatment plant went into operation last May.



SLUDGE PONDS AT DUMP — Resident Jerry Burns looks over a pond of sludge material from the sewage waste treatment plant. Several cells or ponds have been built to store the sludge, however, some of the waste is leaking into a nearby stream.

Officials say Libby Presnall will quit post

Kodiak City Clerk Libby Presnall has indicated she intends to resign from that position sometime next month, according to reports from city officials yesterday.

Mayor Gary Stevens said Wednesday he has not received anything official to date, however, according to conversations with Ms. Presnall she told the mayor she intends to resign by March. City manager Clair Harmony confirmed that report.

Ms. Presnall could not be reached for comment before press time Wednesday. She has been employed by the city for nine years, Harmony said.

Harmony said Presnall's resignation was not scheduled for discussion at tonight's regular city council meeting.

FISHERMEN

Do you have some high quality 35 mm black and white photos relating to fishing you would like to share with our readers? Please call the editor at 486-3190. We pay a nominal amount for photos used. (They must be 35 mm b & w.)

POOR VOTE

(Continued from Page 4)

should be done on a weekly basis.

She calls voter disinterest in Kodiak "a state of mind." But, also, "We've got to be sure that the absentee voter is well-informed as to where and when they can vote absentee. This is very important for Kodiak due to our large number of fishermen at sea."

Kodiak has state's worst voter tornout

District	Key Town	% eligible voters
1	Ketchikan	49.4
2	Wrangell/ Petersberg	48.6
3	Sitka	46.7
4	Juneau	56.6
5	Seward/ Cordova	45.1
6	Palmer/ Wassila	56.7
7	Anchorage, downtown	39.7
8	Anchorage	43.3
9	Anchorage/ Spenard	37.0
10	Anchorage	52.1
11	Anchorage	49.2
12	Anchorage	55.4
13	Kenai/ Homer	56.6
14	Kodiak	32.9
15	Aleutians	39.5
16	Dillingham	52.8
17	Bethel	46.7
18	Galena,etc.	49.4
19	Delta/ Nenana	49.7
20	Fairbanks	44.5
21	Kotzebue	46.0
22	Nome	57.8

LETTERS

(Continued from Page 4)

which they are not entitled to.

Now it is also a fact in land starved Kodiak that all unclaimed lands would belong to the Borough; that is, to the people of Kodiak. In other words, if the Natives did get title to lands which they should not have, they would be stealing from all of us.

My question is, what is the Borough doing to protect the interests of all of us? The Citizens Action Group using their own money are investigating the claims of several possibly fraudulent villages and apparently grounds to continue the case. However their funds are limited and they are fighting Native groups funded by enormous amount of federal (taxpayers) money. If they should loose their fight, it should be because their cause is wrong rather than they were outspent!

I hope this letter will be answered publicly by the responsible Borough official; what is the Borough doing to ensure that the villages contested by the CAG are legitimate? Should not the Borough be doing just what the CAG is doing?

Whether one agrees with it or not, the Native Land Claims Act is law. Yet the Native should get only that to which he is entitled. If no one protests, he could steal it all. What is the Borough who is most concerned doing about this? We taxpayers would like to know!

Sincerely,
Earl Fischer



Photos by Dennis A. Johnson

SLUDGE POLLUTES STREAM — Borough resident John Attaway kneels beside a stream running near the landfill site off Monashka Bay Road. Problems at the sewage treatment plant have forced city maintenance personnel to dump sludge with 80 percent water content at the landfill site. City personnel say they are aware of the problem, and are coming to terms with it.

AUCTION

(Continued from Page 1)

parcel 4 is Lot 10B and minimum bid is $38,500.

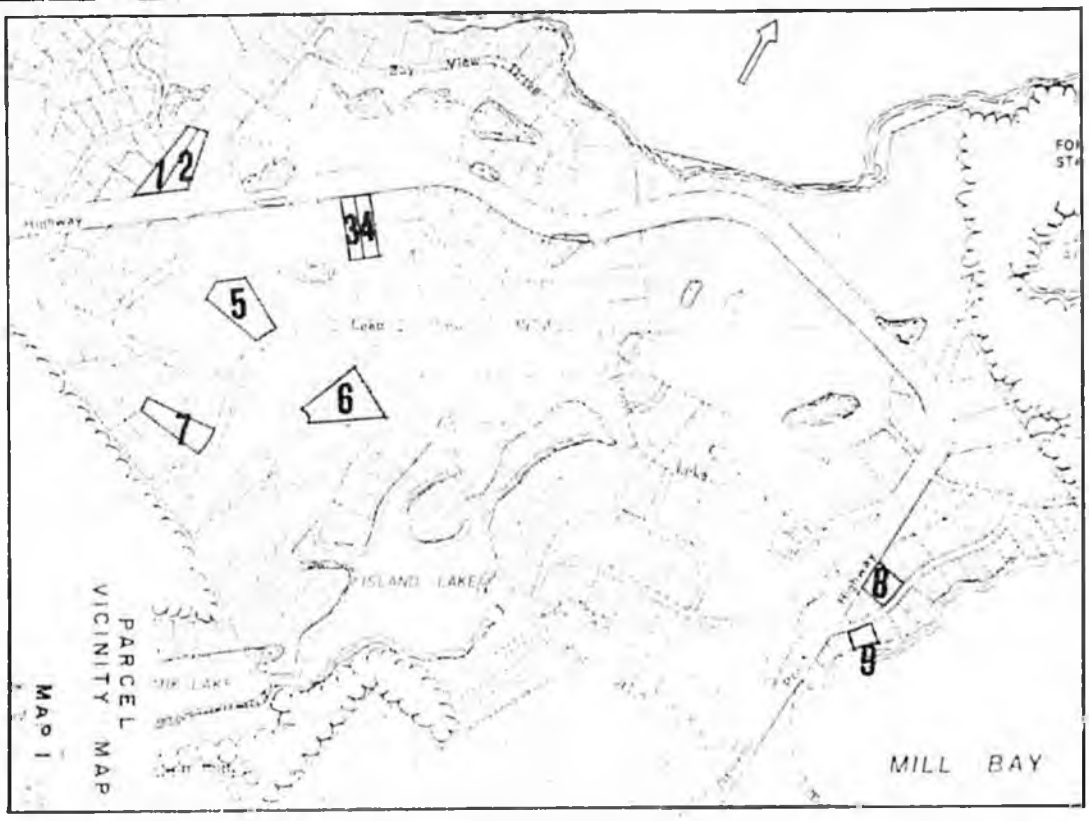
Road access to parcels 5,6 and 7 has been platted, and Denslow said funds are expected to be appropriated this year under the Borough local service roads and trail program for construction. Parcels 5 and 7 front Lake View Road are 3.35 acres and 2.41 acres respectively.

Parcel 5 is located in Block 4, Lot 20 of Monashka Bay Subdivision, minimum bid is $27,000; parcel 7 is located in Block 8, Lot 5 of the subdivision and minimum bid is $20,500 -- the lowest of any of the lots.

Parcel 6 is located in Block 7, Lot 9 of the Monashka Bay Subdivision on Sawmill Circle, a cul-de-sac. The lot is 3.91 acres and minimum bid is $31,500.

Parcels 8 and 9 front Cliffside Road off of Monashka Bay Road in the Miller Point Subdivision. Parcel 8 is 1.35 acres located in Block 5, Lot 7A; minimum bidding price is $21,000. Parcel 9 is the only beachfront property up for sale, and is located in Block 1, Lot 4 of Miller Point second addition; minimum bid for the .70 acre lot is $30,000.

Any parcels remaining unsold after the auction will be up for sale after 60 days. Buyers will be restricted to purchasing one parcel only. More information, including a land sale specification sheet, can be obtained from the borough clerk in the borough office building.



LAND AUCTION SET — Above map shows location of parcels to be sold by the Kodiak Island Borough. (Story on Page [illegible])

Ted Nelson's mother dies

Maureen Nelson, the mother of local resident Ted Nelson, died Saturday evening in Muskegon Heights, Mich. where she has lived since moving to the United States from Dublin, Ireland.

Mrs. Nelson, 75, had recently visited her son and his wife, Norma Nelson, in Kodiak, and had made a trip here in 1977. Maureen Nelson was born Sept. 5, 1903 in Dublin and moved to this country when she was 21.

Later Mrs. Nelson met Joseph E. Nelson, and eventually the couple were married. She is survived by two daughters, two sons, 17 grandchildren and five great grandchildren.

Funeral services were held in Muskegon Heights yesterday. Burial will be in Muskegon Heights as well.

Ted Nelson and his wife have lived in Kodiak since 1974. Nelson is employed by the State of Alaska, Department of Transportation.

FLIK

Film Lovers in Kodiak (FLIK) has scheduled a well known Humphrey Bogart movie (a sea epic) at East School this Saturday (Jan. 27) at 7:30 p.m. FLIK is for members, and donations will be requested from visitors.

Long Distance Calling Problems?

TELE-HELP

8 AM - 5 PM, MON-FRI

ZENITH 5100

In Anchorage call 272-3922



We hope it never happens. But, if you ever have a long distance calling problem, Tele-Help is here. Just dial the long distance operator and ask for RCA Alascom's new TELE-HELP number: Zenith 5100. It's free. It's fast. And it means help is on the way.

RCA
Alaska
Communications

We listen.

If you prefer, drop us a line. Write TELE-HELP, RCA Alaska Communications, Inc., Pouch 6607, Anchorage, Alaska 99502

February 4, 1979

The Community & Regional Affairs Committee
Bob Mulcahy: Senator, Vice Chairman of Committee
Pouch, V.
Juneau, Alaska 99801

Dear Sir,

We live in the Bells Flat area where the borough furnishes road services, which consist of snow removal only, costing us 7.2 mills, a total of 14.2 mills. Considering the cost of this one service, we feel service districts for other services; water, sewer and police would be too high.

We feel the city could and would be able to furnish the needed services much cheaper and sooner. The areas up for annexation now would be wise to annex to the city, realizing full services for 16.2 mills.

Sincerely,

_____

_____

_____

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_____

cc : Clem Tillion — Pres. of the Senate
Arliss Sturgulewski — Chairman of Committee

Terry Gardner — Speaker of the House
Fred Zharoff — Representative

F · 1633
Kodiak, Alaska 99615
February 4, 1979

The Honorable Arliss Sturgulewski
Chairman, Senate Committee on
Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

My husband and I live at Island Lake, Kodiak, in the area affected by the proposed City of Kodiak annexation. We are both opposed to the proposal.

The wishes of area residents were ignored in the Boundary Commission's recommendation. At the well-attended Boundary Commission hearing not one area resident spoke in favor of the proposed annexation; in fact, only the Kodiak City Manager testified in favor of the proposal. A petition opposing the annexation has been circulated among residents of the affected area; at this time over 600 of the area's 800 adult residents have signed the petition.

Prior to the City's proposal, the Kodiak Island Borough had, at the request of area residents, studied providing services to the area through Borough service districts. In an election area residents voted for the establishment of Borough water, sewer and road service districts. The Borough had previously negotiated agreements with the City of Kodiak to make possible this service district approach. Progress stopped, however, when the City sued the Borough and petitioned for annexation of the area.

Now, however, instead of looking toward the provision of services, City officials have stated that they cannot afford to provide sewer, road or improved water service to areas like the one in which we live. We live on a one-acre lot reached by a small privately maintained road. City officials have explained that because the area is sparsely populated and present roads inadequate, the City would not be able to provide services to us. But our situation is not unique in the area proposed for annexation. A one-acre lot is the standard lot size in the area, one-third of the area is completely undeveloped, and two-thirds of the area is sparsely populated.

As justification for recommending the annexation, the Alaska Department of Community and Regional Affairs in its May 17, 1978, Report to the

Local Boundary Commission, cited Article X Section 5 of the Alaska Constitution that " . . . a new service area shall not be established . . . if the new service can be provided . . . by annexation to a city." But if the City of Kodiak disavows any intention until some time in the distant future of providing services to the vast majority of the area, doesn't that negate the preference for annexation over a service district?

We urgently request you to recommend the Senate defeat the proposed City of Kodiak annexation, both because the merits of the case argue against annexation and because forced annexation would strip the citizens involved of their right to have a voice in their own fate.

Sincerely,

Patricia Szabo

Patricia Szabo

cc: Senator Tim Kelly
Senator Bob Mulcahy
Senator Pat Rodey
Senator Terry Stimson

February 1, 1979

The Community & Regional Affairs Committee
Bob Mulcahy: Senator, Vice Chairman of Committee
Pouch, V.
Juneau, Alaska 99801

Dear Bob,

We live in the Island Lake area that is up for annexation. We have this to say. Our area is in bad need of sewer and water, as we are sure you have been aware of.

After considering what it could cost under a service district using Bells Flats area as an example, where a service district for minor road service cost, 7.2 mills, for a total of 14.2 mills in the borough we feel that annexation to the city would be far cheaper at 16.2 mills for all services.

Sincerely,

_____

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_____

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_____

o.c. to: Clem Tillion — Pres. of the Senate
Arliss Sturgulewski — Chairman of the Committee
Terry Gardner — Speaker of the House

February 1, 1979

The Community & Regional Affairs Committee
Fred Zharoff: Representative
Pouch, V.
Juneau, Alaska 99801

Dear Fred,

We live in the Spruce Cape area, that is up for annexation and we wish to convey these facts to you. Even though a number of us in this area is not vocal as some of the anti annexation crowd, we feel the unifying of our area, Island Lake and Millbay is the only practical way to bring about the improvements that is sorely needed and shall be expecting, your effort toward the conclusion, that will benefit the areas as a whole.

It is said you indicated in conversation with two or more people on your departure, that you agreed that annexation was our last and best hope at this point, but you felt you owed a political debt, to certain election support. We would feel that you would be doing a great disservice to the whole community if your efforts reflected these facts.

Sincerely,

_____

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_____

_____

c.c. to:

Clem Tillion	Pres. of the Senate
Bob Mulcahy	Senator, Vice Chairman of Committee
Arliss Sturgulewski	Chairman of the Committee
Terry Gardner	Speaked of the House

LOCAL
BOUNDARY
COM. REC.
KENAI

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

RE: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 8, 1979

1:30 p.m. KENAI - BOUNDARY COMMISSION REPORT

KODIAK PUBLIC HEARING - Final Details

2-8-79

Committee Log Book - 1979

Tape Number 1

SENATE C/RA COMMITTEE

Committee

Side Number 1

Dates 2/8/79 to -----

Bill Numbers Discussed

KENAI LOCAL BOUNDARY RECOMMENDATION									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:45 p.m.	000		Mtg. called to order by Chairman Sturgulewski
	22	KENAI	Doug Griffin/Dept. C/RA/ Loc. Govern. Specialist
	77 81		Sen. Stimson Mr. Griffin
	94 96		Sen. Stimson Mr. Griffin
	109		Committee voted to concur.
	112	KODIAK TRIP	Chairman Sturgulewski
	113		Sen. Mulcahy
	179		Chairman Sturgulewski
	191	AML	Chairman Sturgulewski
	228		Sen. Stimson
	23[illegible] 242		Chairman Sturgulewski Sen. Mulcahy
	244 271		Chairman Sturgulewski Sen. Stimson
	273 289		Chairman Sturgulewski Sen. Stimson
2:10 p.m.	290 299		Chairman Sturgulewski Meeting Adjourned

February 8, 1979

SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

KENAI LOCAL BOUNDARY COMMISSION RECOMMENDATIONS TO LEGISLATURE

Chairman Arliss Sturgulewski called the meeting to order 1:30 p.m.

Chairman Sturgulewski gave a brief review of the Kenai Local Boundary Commission report and recommendations presently before the Committee. She stressed if no action was taken, the recommendations would be considered approved and would thereby go into effect 45 days from the time introduced in the Session.

Mr. Doug Griffin, Local Government Specialist, State Department of Community and Regional Affairs, attending in behalf of Mr. Palmer McCarter, Director of the Local Government Assistance Division, gave a brief review, stressing that the recommendation was strictly a clarification of an incorrect boundary made in 1974. The Forest Service had noticed first the descrepancy. His Department was in total agreement with the recommendations now before the Committee.

Senator Simpson questioned for clarification sake that no physical change was entailed, that it was merely correcting the description.

Mr. Griffin confirmed and gave further technical boundary descriptions.

Senator Simpson asked when the the boundaries were first drawn.

Mr. Griffin stated the erroneous description was dated April 30, 1974.

Senator Simpson expressed curiosity at how the descripancy was noticed.

Mr. Griffin stated in a memorandum the Forest Service noticed descripancies when making adjustments.

Committee Action

A motion was made and unanimously passed concurring with the Local Boundary Commission Report.

KODIAK TRIP PLANS

Committee members briefly discussed material being compiled for their review before the Jt. Hearing took place; agenda outline; timetable; crowd anticipated, etc.

MEETING ADJOURNED 2:10 p.m.

February 12, 1979

TO: The Honorable Clem Tillion
President, State Senate

FROM: Arliss Sturgulewski, Chairman
Senate Community & Regional
Affairs

RE: Kenai Local Boundary Recommendation

The Senate Community and Regional Affairs Committee held a meeting 1:30 p.m., February 8, 1979, to discuss the Kenai Boundary Recommendation as presented to the Legislature by the Local Boundary Commission. All members present decided to take "no action," thereby letting this recommendation go into effect.

This notification hereby closes our Committee file.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B – JUNEAU 99811

February 8, 1979

The Honorable Arliss Sturgulewski, Chair
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

The error in the description of the southeasterly boundary of the Kenai Peninsula Borough was brought to our attention by the United States Department of Agriculture, Forest Service. This boundary is located in a very remote area and, thus, the erroneous description was not discovered for these many years. The enclosed report from the United States Department of Agriculture, Forest Service provides a detailed account of the situation.

A public hearing was held in Soldotna on January 12, 1979 by the Local Boundary Commission (LBC) to consider this question. The LBC held a decisional meeting on January 18, and recommended to clarify and correct the southeasterly boundary of the Kenai Peninsula Borough.

The Kenai Peninsula Borough supports the amendments correcting this boundary description and since the area affected is not presently inhabited, we concur with the Borough's position and feel that speedy resolution of this situation is in the best interest of the State and the Kenai Peninsula Borough.

Sincerely,

Lee McAnerney
Commissioner

Palmer McCarter

by: Palmer McCarter
Director

Enclosure

21-P2LH

KENAI PENINSULA BOROUGH BOUNDARY December 1, 1978

In the process of compiling changes to be made in Topographic Quadrangle Seward B-5, it was noted that the description of the Kenai Peninsula Borough, dated April 30, 1974, southeasterly part, had an anomaly in the use of the Chugach National Forest Boundary to amplify portions of the description.

In two cases in this portion of the description, a corner is established using a land survey corner, and then is amplified by stating a latitude and longitude. In both cases, the latitude and longitude is incorrect, as determined from Bureau of Land Management Protraction Diagrams S15-2 and S14-11. The corners are as follows:

S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E.

Borough Boundary Description:

LAT: 60° 25' 00" N
LONG: 148° 33' 00" W
(This latitude and longitude is stated as being on the Chugach National Forest Boundary, which it is.)

Correct description from BLM Protraction Diagram S14-11

LAT: 60° 24' 56.923" N
LONG: 148° 33' 42.146" W

S.E. Corner of the N.W. ¼ of Sec. 27, T1S, R5E.

Borough Boundary Description:

LAT: 60° 02' 00" N
LONG: 148° 33' 00" W
(This latitude and longitude, as stated in the description, is on the approximate Chugach National Forest Boundary)

Correct description from BLM Protraction Diagram S15-2

LAT: 60° 03' 42.949" N
LONG: 148° 34' 11.811" W

Further study showed that the portion of the borough boundary line between these points did not take into account the east-west correction of the section lines as they cross the Seward Base Line.

It was further noted that the term "(projected)" was used following each use of a Section type corner; e.g. "N.E. Corner of Sec. 26, T9N, R2E (projected)." The term probably intended is "protracted", meaning a land survey corner established on paper but not in the field.

It was also noted that in some cases, the term "South" was used to describe the direction along a section line. In other cases, the term "southerly" is used. The term "southerly" is more correct, since except at the township boundaries, the section lines are not true North-South lines.

The intent of the boundary line appears clear, and this intent is shown on the Seward A-5 Quadrangle, where the borough boundary can be seen not to follow the Forest Boundary, and it shows a correction at the Seward Base Line. (Copy of Seward A-5 attached.)

The existing description of the area in question is:

".....N. E. Corner of Sec. 25, T4N, R4E (projected); thence East to the S. E. Corner of the S. W. 1/4 of Sec. 22, T4N, R5E (projected), said corner being on the Chugach National Forest Boundary at Longitude 148°33'00"W, Latitude 60°25'00"N; thence southerly along the boundary line of said Chugach National Forest to the S. E. Corner of the N. W. 1/4 of Sec. 27, T1S, R5E (projected), said corner being on Longitude 148°33'00"W, Latitude 60°02'00"N; thence West....."

Suggested changes in the description are as follows: (additions are underlined; deletions are crossed out.)

".....N. E. Corner of Sec. 25, T4N, R4E ~~(projected)~~ (protracted); thence East to the S. E. Corner of the S. W.1/4 of Sec. 22, T4N, R5E ~~(projected)~~ (protracted); ~~said corner being on the Chugach National Forest Boundary at Longitude 148°33'00"W, Latitude 60°25'00"N;~~ thence southerly ~~along the boundary line of said Chugach National Forest~~ to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (protracted); thence West to the N.E. corner of the N.W. 1/4 of Sec. 3, T1S, R5E (protracted); thence southerly to the S.E. Corner of the N. W. 1/4 of Sec 27, T1S, R5E ~~(projected)~~ (protracted); ~~said corner being on Longitude 148°33'00"W, Latitude 60°02'00"N,~~ thence West....."

The description of the area in question would then read:

".....N.E. Corner of Sec. 25, T4N, R4E (protracted); thence East to the S.E. Corner of the S.W. 1/4 of Sec. 22, T4N, R5E (protracted); thence southerly to the S.E. Corner of the S.W. 1/4 of Sec. 34, T1N, R5E (protracted); thence West to the N.E. Corner of the N.W. 1/4 of Sec. 3, T1S, R5E (protracted); thence southerly to the S.E. Corner of the N.W. 1/4 of Sec. 27, T1S, R5E (protracted); thence West....."

Received from the U S Forest Service

RECEIVED

DEPT. OF [illegible] REG. AFFAIRS

DATE: DEC 4 1978

Com. Hrg
1.30

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

January 30, 1979

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Kenai Peninsula Borough Boundary Hearing

Dear Arliss:

The State Boundary Commission conducted a hearing on January 12, 1979, in Soldotna, during which only Philip Waring, our Planning Director, and Mayor Don Gilman gave testimony.

We take no exception to the Boundary Commission action since it conforms exactly to the Borough boundaries as we understood them to be.

Sincerely,

Clyde Baxley

Clyde Baxley, Administrative Assistant
Kenai Peninsula Borough

CB:mw

HB

185

COMMITTEE REPORT

SENATE

FURTHER: Finance

3/23/79

Date: 4-4-79

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had HB 185
state aid of municipalities for the construction and development of cultural facilities

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

PATRICK RODEY
Tim Kelly
Bob Whitaker

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____
CHAIRMAN

S 6C (Rev. 12/78)

PRESENT: Senators: Kelly, Mulcahy, Stimson, Sturgulewski
ABSENT: Senator: Rodey

Committee Log Book - 1979

Tape Number I

SENATE COMMUNITY & REGIONAL AFFAIRS
Committee

Side Number 1

CULTURAL FACILITIES - Work Session

Dates 3/29/79 to _____

Bill Numbers Discussed

HB	SB								
185	216								

Both Identical Bills

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/29/79 1:30 P.M.			Mtg. called to order by Chairman Sturgulewski
	-- 110		Mr. Jim Deagen/Dept. of Commerce & Ec. Development Mr. P. McCarter/Dept. of C & R. A
	124 130		Mrs. Shirley Rediger Sen. Sturgulewski
	138 141		Mr. Gene Walsh, AA to Chairman Sturgulewski Sen. Sturgulewski
	146 154		Mr. Terry Darley, St. Assessor / Chrmn Sturgulewsk Mr. Darley
	156 158		Mrs. Rediger Chairman Sturgulewski
	205 220		Mrs. Rediger Sen. Mulcahy/ Mrs. Rediger
	249 260		Sen. Mulcahy Sen. Stimson / Mrs. Rediger
	278 280		Sen. Mulcahy Chairman Sturgulewski
	284 296		Sen. Mulcahy / Mrs. Rediger Chairman Sturgulewski
	306 314		Sen. Stimson Mr. Darley / Chairman Sturgulewski
	349 354		Mr. Darley Sen. Kelly
	363 376		Mr. Walsh / Mr. Darley Mr. McCarter / Mr. Darley
	380 396		Sen. Kelly / Mr. McCarter Chairman Sturgulewski / Mrs. Rediger
	461		Mr. Jack Chenoweth, Legislative Affairs Legal Chairman Sturgulewski / Mr. Chenoweth
	481 489		Mr. Walsh Mr. Deagen
	499 510		Chairman Sturgulewski and Sen. Kelly " " / Sen. Stimson
	545		Mrs. Rediger Mr. Dick Holden/DOT
	608 630		Chairman Sturgulewski/ Mr. Deagen Mr. Holden

OVER...

658 - Mr. Chenoweth
667 - Mrs. Rediger
681 - Mr. Walsh
684 - Chairman Sturgulewski
695 - Mr. Chenoweth
704 - Sen. Kelly
714 - " " / Chairman Sturgulewski
736 - " "
745 - Mr. Holden
760 - Chairman Sturgulewski/ Sen. Kelly
770 - Mrs. Rediger
790 - Sen. Kelly
797 - Chairman Sturgulewski
800 - Senator Kelly
802 - Senator Mulcahy
807 - Sen. Kelly
809 - Mr. Holden & Mr. Chenoweth
840 - Mr. Holden
860 - Chairman Sturgulewski
867 - Sen. Kelly
868 - Chairman Sturgulewski

4/3./79

Committee Log Book - 1980

Tape Number 1

SENATE C/RA

Committee

Side Number 1

Dates 4/3/79 to _____

PRESENT: Chairman Sturgulewski, Senators Kelly Mulcahy, Rodey, Stimson

Bill Numbers Discussed

HB 185	SB 137								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p.m.	000	HB 185	Chairman Sturgulewski opened meeting.
	83		Sen. Mulcahy
	124		Sen. Stimson
	126		Sen. Kelly
	144		Ginny Chitwood, Ak. Municipal League
	150		Sen. Kelly
	188		Shirly Rediger, Lobbyist?
	201		Gene Walshy
	231		Sen. Stimson / Motion to adopt CS HB 185 Work Draft
	239		Sen. Kelly, amendments
	274		Shirley Rediger addresses Sen. Kelly
			" ", Chrman Sturgulewski
	333		Ginny Chitwood
	345		Jane Stewart, Arts Council Mbr.?
	347		Sen. Mulcahy
	358		Jan Craddick/ Sitka
	382		Sen. Kelly/ Craddick -- Conceptual Amendment
	397		Sen. Kelly
	401		Sen. Stimson
	414		Jan Craddick
	480		Sen. Rodey
	496		Sen. Kelly "Do pass" / move out of committee No Objections
	520	SB 137	
	537		Sen. Rodey - Municipal revenue sharir Sen. Kelly
	558		Meeting Adjourned

Bene has been notified.

Alaska State Legislature

House of Representatives

MAR 2 8 1979

STATE CAPITOL
POUCH V
JUNEAU, ALASKA 99811
465-3818

HOME ADDRESS
RR 4 BOX 4316
JUNEAU, ALASKA 99803
789-9792

REPRESENTATIVE JIM DUNCAN
CHAIRMAN
BUDGET & AUDIT COMMITTEE

MEMBER
FINANCE COMMITTEE

M E M O R A N D U M

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

FROM: Rep. Jim Duncan

SUBJECT: House Bill No. 185 DATE: March 27, 1979
State Aid to Municipalities
for Cultural Facilities

I would appreciate a hearing on House Bill No. 185 in the near future.

I realize that you have conducted hearings on similar Senate legislation. However, I will be pleased to testify on the bill or provide other information you might need.

I would like to see the legislation enacted this session and therefore view an early hearing and movement of the bill as critical.

JD:jp

Shirley
Bert Wagoner
Jack Chenoweth
Terry Gerley
Jerry Pelham
Dick Hoedel

HB

192

COMMITTEE REPORT

SENATE

FURTHER: Finance

4/24/80 Date: May 1 '80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 192 (Fin) am equalization of the tax resources of municipalities, continuing a portion of the program of state aid for municipal purposes

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 [ ] new title

and recommends _____

[ ] 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:

Bob McLeahy No Rec
Tim Kelly " No Rec
Fred Zharay No Rec.

CHAIRMAN

S 60 (Rev. 12/78)

COMMITTEE REPORT

SENATE

FURTHER: Finance

4/24/80 Date: June 1, 1980

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 192 (fin) am

equalization of the tax resources of municipalities, continuing a portion of the program of state aid for municipal purposes

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)

[X] replace with SCS for CS HB 192 [ ] same title [X] new title

and recommends _____

[X] AND ~~attaches a "Letter of Intent"~~ [X] New Fiscal Note Needed

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Sen. Lenny Pfiffner - Finance Jr.

MEMBERS HAVING OTHER RECOMMENDATIONS:

Bob Wielechowski Jr. Rec

Tim Kelly Jr. Rec

Patrick Rodey Jr. Rec.

Calvin Trimmer

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXVI

SENATE C?RA

Side Number 1

Committee

Present: Senators Mulcahy and Stimson
Chairman Sturgulewski

Dates 4/30/80 to

Absent: Senator Rodey

Bill Numbers Discussed

CSHB 192									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
8:40a.m	110	CSHB 192	Chairman Sturgulewski
	041		Tom Monk, AK. St. Firefighters Assoc. Amendment to p. 10 - line 5
	100		Sen. Sturgulewski
			Palmer McCarter, Dept. C/RA
	233		Lee Sharp - Attorney for City/Borough
			re raising revenues - Chairman Sturgulewski
	482		Sharp's amendment on utility "revenue" in lieu of tax payments
	537		L. Sharp, fire protection
	556		Chairman Sturgulewski re 15% revenue areawide
	639		Gary Crouse/ Dept. Public Safety/ Dept.'s position neutral. Comments.....
	680		Chairman Sturgulewski
	734		Ginny Chitwood/ Alaska Municipal League
Side 2	001		Chairman Sturgulewski/ 1 p.m. workshop
	045		Mary Foster/ Palmer McCarter
	194		Mary Foster clarifies point
1:15 p.	511		All Members present
	536		Jack Krienheder/ House Research Office
TAPE 2	115		Chairman Sturgulewski
	134		Representative Gardiner
	160		J. Krienheder continues

OVER

	281	Dave Brennen, Fairbanks T. Gardiner re fire departments
	578	J. Krienheder - Ch. 29, page 10, page 14
	681	Page 14
	721	Section 8 - page 16
	735	Page 17
	745	J. Krienheder - Section 11
	757	Hold Harmless Section
	838	Ginny Chitwood, A.M.L.
SIDE II	000	J. Krienheder/ Chairman Sturgulewski
	065	Gene Husick/ proposal/ one more feature to hold harmless for additional communities/ proposes separate account
	220	Sen. Kelly questions allocation/ double counting of people within cities and boroughs.
	405	Sen. Mulcahy/ Anch. Budget and Audit Office Gene/Jack/Margo/Lee Sharp
	504	Chairman Sturgulewski/ Page 2, line 20 amendments
	643	Chairman Sturgulewski recommends accepting Miller's amendment- St. aid with hospitol construction draft/ language needed.
	724	Senator Sturgulewski - Section 22 amendment Sen. Rodey
	770	Sen. Kelly - against Sen. Rodey's wording on hospitals
3:04 p.m.		SEN. RODEY AND STIMSON LEAVE
	800	Sen. Sturgulewski/ amendments in section 6
	856	Sen. Sturgulewski - go back to original wording
TAPE 3 // Side 1	000	Chairman Sturgulewski - more amendments
	56	Margo Waring, AA to Sen. Sturgulewski/ hold harmless
	125	Chiarman Sturgulewski - FY 80 entitlement
	192	Chmn. Sturgulewski - work draft Sec. 12 & 13
	339	G. Chitwood, AML, Transit
	382	Chmn. Sturgulewski - Letter of Intent
8:45 a.m.		Chmn. " - Senate Bill 437
5/1/80	410	ALL MEMBERS PRESENT EXCEPT FOR SENATOR RODEY (late)
	443	Discussion re page 17
	526	Chmn. amends re deleting utilities
	543	Sen. Kelly moves to adopt amendment, line 8, page 4 add "including in the valuation of the utility" / amendment o.k.'d.
	582	Sen. Sturgulewski, Amend. 2, Hospital removal
	628	Palmer MCCarter, Dept. C/RA
	780	29.89.020 to be in sep. allocation. Sen. Kelly so moves - no objection Palmer McCarter, language for new account
	828	Chmn. Sturgulewski, Volunteer Fire Dept., page 10
Side 2	000	Chmn. Sturgulewski - fire funding
	44	Sen. Rodey moves for amendment 4.
	83	Chmn. Sturgulewski reviews figures for amend. on hold harmless changes with J. Krienheder
	286	Sen. Kelly - population approach Committee comments on choice of amendments.

NEXT PAGE

572 Sen. Sturgulewski - other amendments, hospitals and transits, page 19
624 Sen. Mulcahy, line 2-10, page 19, moved to adopt
No objection.
633 Section 12 / Chairman Sturgulewski
667 Sen. Stimson moved to amend.

12:50
May 1, 1980

ALL MEMBERS PRESENT
685 Chairmans Sturgulewski postponed HB 947
" " - gave summary on HB 192
771 Rodey moves to adopt amendment 4
Sen. Kelly
784 Chrmn. Sturgulewski - favors amendment 3
810 Vote amendment 3/2 Senators Mulcahy & Sturgulewski
824 Motion to send bill forward. Sen. Rodey "do pass"
Sen. Kelly doesn't want bill out of committee.
840 Senator Sturgulewski adjourned meeting.

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

1/27

4/30

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
192	Tom Mark	Box 1054, Lake Bay	State Fire Fighters Assoc.
192	Ginny Chitwood	2044 N. Duval St. Tallahassee Fla	AML
	Gary Crowe	Bouch N	Tallah. SFFM Office
192	DAVE BROWDER	S.B. Box 31026 FZBKS.	Fairbanks North Star Boro. Assembly
	May 1		

Committee Log Book - 1980

Tape Number XXV

SENATE C/RA

Committee

Side Number 1

Dates 4/29/80 to --

PRESENT: Chairman Sturgulewski, Senators Kelly, Stimson, Mulcahy and Rodey.

Bill Numbers Discussed

SCR 66	CSSB 562	CSHB 192 am							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:40	005	SCR 66	Chairman Sturgulewski reviews SCR 66
	(063)		Recorder started to work better....
	124		Senator Rodey
	140		Senator Rodey moved to "do pass"
	154	CSSB 562	Chairman reviews SB 562
	193		Senator Mulcahy
	228		Representative Osterback
	288		Dep. Commissioner Marie Matsumo/ Dept. C/RA
	399		Chairman Sturgulewski and Murray Walsh/ Coastal mgmt.
	446		Sen. Rodey - REAA's
			Chairman Sturgulewski, Veronica Clark - Dept. C/RA
			Sen. Stimson
	558		Senator Mulcahy moves to pass CSSB 562
	580	CSHB 192	Chairman Sturgulewski, and Representative Gardiner
	753		Representative Gardiner suggests amendment
Side 2	138		Chairman Sturgulewski referred action to next date
			Discussion re Jack Krienharter/ amendments devised by Rep. Rogers, etc.
	456		Larry Crawford/ Gene Husick of Anch. Municipality
	760		Chairman Sturgulewski re scheduling for more work..

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

C/RA

4/29

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
192 OIC	EUGENE A DUSEK	POUCH 6-650 ANCHORAGE	MUNI OF ANCHORAGE
192 OIC	LARRY CRAWFORD	POUCH 6-650, ANCH AK	MUNICIPALITY OF ANCH.
192 OIC	Lee Sharp	155 S. Seward St	Juneau
192 OIC	Thomas W. Monk	Box 1054 Aukebay	State Firefighters Assoc.
192 OIC	Gary Crouse	Pouch "M"	State Fire Marshals Office
192 OIC	Ginny Chitwood	204 N. Franklin St Juneau	AML
SB 60 OIC	Marie Matsuno	Pouch B	DCRA
SB 60 OIC	Linda Clark	Pouch B	DCRA
SB 56 OIC	MURRAY WALSH	POUCH A JUNEAU	OFF Comm Affairs
SCR 6 OIC	Ginny Chitwood		
	Pahmm McCarter / Mary Foster	Pouch B	C&RA.

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM February 25, 1980

TO: Representative Terry Gardiner

FROM: Jack Kreinheder, Issues Analyst

RE: HB 192 - Computer Runs Excluding Hospital and Health Entitlements
Research Request No. 64

As you requested, I have produced five alternative entitlement breakdowns for HB 192, all of which exclude the revenue sharing entitlements for hospital and health facility operation, hospital construction, and health power grants. A chart summarizing the results is attached, as are the more detailed computer printouts on which the chart is based. The total current entitlement under present statutes for these categories, including the cost of living allowance and the partial funding proration factor, is $8,259,162. I have subtracted this value from the original HB 192 total entitlement of $27,000,000 to arrive at a base or midpoint value for comparative purposes of $18,740,838.

Four other runs were made on the low side and the high side of this midpoint value using $2 million increments, as you requested. These entitlement values were $14,740,838, $16,740,838, $20,740,838, and $22,740,838, respectively.

I'm sorry for the delay in providing these runs, but the updating process required considerably more time than I expected. The model is now updated and complete.

Please let me know if you have any questions or would like additional runs. As you know, the Agency has a very full workload at the present time, but we will do what we can to provide any further research or computer work on HB 192 as quickly as possible.

JK/dp

HB 192

PERCENTAGE BREAKDOWN OF POPULATION AND ENTITLEMENTS

EXCLUDING HOSPITAL AND HEALTH FUNDING

Pre
House Res
Februar

LOCAL ENT	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740
Boroughs						
Anchorage Total	$5,352,264(44.68%)	$4,541,292(30.80%)	$5,454,155(32.57%)	$6,373,214(34.00%)	$7,285,973(35.12%)	$8,190,667(36.
Bristol Bay Total	48,670(0.40%)	66,916(0.45%)	80,625(0.48%)	94,431(0.50%)	108,146(0.52%)	121,742(0.
Fairbanks Total	937,714(7.82%)	929,722(6.30%)	$1,116,904(6.67%)	1,305,361(6.96%)	1,492,531(7.19%)	1,678,050(7.
Haines Borough Total	2,200(0.01%)	20,985(0.14%)	21,930(0.13%)	22,642(0.12%)	23,163(0.11%)	24,546(0.
Juneau Borough Total	514,509(4.29%)	799,218(5.42%)	970,121(5.79%)	1,142,333(6.09%)	1,313,525(6.33%)	1,483,311(6.
Kenai Peninsula Total	81,940(0.68%)	178,869(1.21%)	224,525(1.34%)	270,631(1.44%)	316,574(1.52%)	362,211(1.
Ketchikan Total	74,806(0.62%)	139,961(0.94%)	175,685(1.04%)	211,762(1.12%)	247,711(1.19%)	283,420(1.
Kodiak Island Total	52,591(0.43%)	99,070(0.67%)	114,616(0.68%)	130,204(0.69%)	145,617(0.70%)	160 848(0.
Mat-Su Borough Total	408,149(3.40%)	628,529(4.26%)	679,064(4.05%)	728,850(3.88%)	777,096(3.74%)	824,136(3.
North Slope Borough Total	203,508(1.69%)	199,436(1.35%)	201,162(1.20%)	202.348(1.07%)	209,713(1.01%)	229,352(1.
Sitka Borough Total	234,649(1.95%)	229,953(1.55%)	231,943(1.38%)	233,310(1.24%)	233,969(1.12%)	254,978(1.
First Class Cities						
Barrow	34,122(0.28%)	33,439(0.22%)	36,641(0.21%)	44,165(0.23%)	51,663(0.24%)	59,110(0.
Cordova	91,271(0.76%)	96,388(0.65%)	115,224(0.68%)	134,181(0.71%)	152,999(0.73%)	171,645(0.
Craig	19,856(0.16%)	28,605(0.19%)	33,188(0.19%)	37,785(0.20%)	42,332(0.20%)	46,827(0.
Dillingham	62,407(0.52%)	61,158(0.41%)	61,688(0.36%)	67,950(0.36%)	75,917(0.36%)	83,790(0.
Fairbanks	709,841(5.92%)	896,598(6.08%)	1,065,140(6.36%)	1,234,658(6.58%)	1,402,829(6.76%)	1,569,393(6.
Galena	33,914(0.28%)	33,235(0.22%)	33,523(0.20%)	33,720(0.17%)	33,815(0.16%)	33,844(0.
Haines	49,634(0.41%)	56,169(0.38%)	63,725(0.38%)	71,280(0.38%)	78,723(0.37%)	86,062(0.
Homer	69,574(0.58%)	68,181(0.46%)	68,772(0.41%)	69,876(0.37%)	76,996(0.37%)	84,014(0.
Hoonah	32,671(0.27%)	32,017(0.21%)	32,294(0.19%)	32,485(0.17%)	35,735(0.17%)	39,350(0.
Hydaburg	9,732(0.08%)	21,099(0.14%)	21.767(0.13%)	22,265(0.11%)	22,618(0.10%)	22,870(0.
Kake	18,967(0.15%)	22,148(0.15%)	22,807(0.13%)	23,297(0.12%)	24,219(0.11%)	26,350(0.
Kenai	166,757(1.39%)	236,166(1.60%)	267,398(1.59%)	298,607(1.59%)	329,345(1.58%)	359,645(1.
Ketchikan	208,143(1.73%)	264,202(1.79%)	321,610(1.92%)	379,469(2.02%)	437,000(2.10%)	494,067(2.
King Cove	21,913(0.18%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.
Klawock	10,560(0.08%)	20,362(0.13%)	21,129(0.12%)	21,703(0.11%)	22,118(0.10%)	22,419(0.
Kodiak	164,263(1.37%)	160,976(1.09%)	162,369(0.96%)	164,318(0.87%)	185,664(0.89%)	206,791(0.

ıge No. 2
:rcentage Breakdown of Population and Entitlements
:cluding Hospital and Health Funding

ICAL GOV'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740
First Class Cities (con't)						
.Nenana	$ 28,578(0.23%)	$ 50,759(0.34%)	$ 54,856(0.32%)	$ 58,893(0.31%)	$ 62.806(0.30%)	$ 66,622(0.2
.Nome	111,941(0.93%)	130,675(0.88%)	154,780(0.92%)	179,016(0.95%)	203,053(0.97%)	226,855(0.9
.North Pole	29,197(0.24%)	40,212(0.27%)	43,028(0.25%)	45,787(0.24%)	48,444(0.23%)	51,024(0.2
.Palmer	65,141(0.54%)	92,430(0.62%)	103,889(0.62%)	115,322(0.61%)	126,564(0.61%)	137,634(0.6
.Pelican	4,816(0.04%)	21,574(0.14%)	22,440(0.13%)	23,091(0.12%)	23,563(0.11%)	23,908(0.1
.Petersburg	94,268(0.78%)	108,439(0.73%)	130,365(0.77%)	152,440(0.81%)	174,367(0.84%)	196,101(0.8
.Sand Point	27,161(0.22%)	35,614(0.24%)	38,602(0.23%)	41,551(0.22%)	44,414(0.21%)	47,208(0.2
.Saint Mary's	32,119(0.26%)	44,315(0.30%)	45,608(0.27%)	46,800(0.24%)	47,864(0.23%)	48,840(0.2
.Seldovia	20,441(0.17%)	27,081(0.18%)	29,736(0.17%)	32,469(0.17%)	35,090(0.16%)	37,660(0.1
.Seward	64,622(0.53%)	79,759(0.54%)	88,203(0.52%)	96,595(0.51%)	104,810(0.50%)	112,874(0.4
.Skagway	33,840(0.28%)	39,462(0.26%)	43,364(0.25%)	47,236(0.25%)	51,017(0.24%)	54,723(0.2
.Soldotna	91,572(0.76%)	130,761(0.88%)	147,330(0.88%)	163,871(0.87%)	180,145(0.86%)	196,176(0.8
.Unalaska	72,551(0.60%)	156,428(1.06%)	167,052(0.99%)	177,448(0.94%)	187,443(0.90%)	197,137(0.8
.Valdez	137,150(1.14%)	134,405(0.91%)	135,569(0.80%)	136,368(0.72%)	136,753(0.65%)	136,868(0.6
.Wrangell	95,108(0.79%)	158,245(1.07%)	194,225(1.16%)	230,508(1.22%)	266,609(1.28%)	302,433(1.3
.Yakutat	11,691(0.09%)	22,756(0.15%)	23,464(0.14%)	23,992(0.12%)	24,366(0.11%)	24,631(0.1
Second Class Cities						
.Akhtok	6.071(0.05%)	23,126(0.15%)	23,784(0.14%)	24,274(0.12%)	24,616(0.11%)	24,857(0.1
.Akiachak	19,322(0.16%)	30,166(0.20%)	30,668(0.18%)	31,031(0.16%)	31,263(0.15%)	31,404(0.1
.Akiak	3,588(0.02%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Akolmiut	57,837(0.48%)	85,516(0.58%)	86,256(0.51%)	86,764(0.46%)	87,009(0.41%)	87,083(0.3
.Alakanuk	23,029(0.19%)	29,519(0.20%)	30,107(0.17%)	30,538(0.16%)	30,823(0.14%)	31,009(0.1
.Aleknagik	5,278(0.04%)	24,645(0.16%)	25,755(0.15%)	26,691(0.14%)	27,203(0.13%)	27,655(0.1
.Allakaket	6,786(0.05%)	27,907(0.18%)	28,842(0.17%)	29,541(0.15%)	30,040(0.14%)	30,397(0.1
.Ambler	13,654(0.11%)	29,585(0.20%)	30,295(0.18%)	30,820(0.16%)	31,179(0.15%)	31,423(0.1

e No. 3
centage Breakdown of Population and Entitlements
luding Hospital and Health Funding

AL CONT'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740
econd Class Cities (con't)						
Anaktuvuk Pass	$ -0-	$ 26,109(0.17%)	$ 27,285(0.16%)	$ 28,171(0.15%)	$ 28,819(0.13%)	$ 29,298(0.1
Anderson	13,734(0.11%)	29,439(0.19%)	30,168(0.18%)	30,708(0.16%)	31,080(0.14%)	31,333(0.1
Angoon	20,195(0.16%)	22,928(0.15%)	23,482(0.14%)	23,891(0.12%)	24,172(0.11%)	24,362(0.1
Anlak	25,938(0.21%)	37,355(0.25%)	37,679(0.22%)	37,901(0.20%)	38,008(0.18%)	38,040(0.1
Anvik	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
Atmautluak	17,981(0.15%)	31,202(0.21%)	31,564(0.18%)	31,821(0.16%)	31,966(0.15%)	32,037(0.1
Bethel	183,321(1.53%)	189,402(1.28%)	207,109(1.23%)	224,642(1.19%)	241,734(1.16%)	258,465(1.1
Brevig Mission	2,801(0.02%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
Buckland	2,905(0.02%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
Chefornak	3,925(0.03%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
Chevak	12,852(0.10%)	25,701(0.17%)	26,801(0.16%)	27,628(0.14%)	28,231(0.13%)	28,675(0.1
Chuathbaluk	10,321(0.08%)	29,172(0.19%)	29,938(0.17%)	30,505(0.16%)	30,899(0.14%)	31,170(0.1
Clark's Point	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
Delta Junction	22,320(0.18%)	27,367(0.18%)	27,719(0.16%)	27,970(0.14%)	28,118(0.13%)	28,197(0.1
Dillingham	890(00.00%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
Eagle	3,674(0.03%)	23,800(0.16%)	24,630(0.14%)	25,251(0.13%)	25,696(0.12%)	26,017(0.1
Eek	7,350(0.06%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
Ekwok	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
Elim	4,580(0.03%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
Emmonak	16,449(0.13%)	27,584(0.18%)	28,431(0.16%)	29,063(0.15%)	29,510(0.14%)	29,826(0.1
Fort Yukon	40,167(0.33%)	50,397(0.34%)	50,833(0.30%)	51,133(0.27%)	51,277(0.24%)	51,321(0.2
Fortuna Ledge	13,260(0.11%)	28,451(0.19%)	29,182(0.17%)	29,724(0.15%)	30,098(0.14%)	30,356(0.1
Gambell	18,779(0.15%)	29,908(0.20%)	30,443(0.18%)	30,834(0.16%)	31,087(0.14%)	31,246(0.1
Golovin	2,825(0.02%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1

e No. 4
centage Breakdown of Population and Entitlements
luding Hospital and Health Funding

AL. GOV'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,7
Second Class Cities (con't)						
Goodnews Bay	$ -0-	$ 25,377(0.17%)	$ 26,520(0.15%)	$ 27,381(0.14%)	$ 28,011(0.13%)	$ 28,477(0
Grayling	7,465(0.06%)	28,240(0.19%)	29,130(0.17%)	29,795(0.15%)	30,296(0.14%)	30,601(0
Holy Cross	10,435(0.08%)	28,773(0.19%)	29,592(0.17%)	30,201(0.16%)	30,628(0.14%)	30,926(0
Hooper Bay	10,133(0.08%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0
Houston	34,179(0.28%)	64,9..(0.44%)	65,506(0.39%)	65,892(0.35%)	66,078(0.31%)	66,134(0
Hughes	1,231(0.01%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0
Huslia	29,890(0.24%)	58,229(0.39%)	58,733(0.35%)	59,079(0.31%)	59,246(0.28%)	59,296(0
Kachemak	-0-	20,985(0.14%)	21,930(0.13%)	22,642(0.12%)	23,163(0.11%)	23,548(0
Kaktovik	2,413(0.02%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0
Kallag	6,763(0.05%)	27,441(0.18%)	28,439(0.16%)	29,186(0.15%)	29,723(0.14%)	30,112(0
Kasaan	432(0.00%)	19,521(0.13%)	20,400(0.12%)	21,062(0.11%)	21,547(0.10%)	21,905(0
Kiana	13,720(0.11%)	28,120(0.19%)	29,027(0.17%)	29,704(0.15%)	30,184(0.14%)	30,527(0
Ki lua	6,503(0.05%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0
Kobuk	7,535(0.06%)	28,773(0.19%)	29,592(0.17%)	30,201(0.16%)	30,628(0.14%)	30,926(0
Kotlik	5,066(0.04%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0
Kotzebue	111,653(0.93%)	109,419(0.74%)	110,366(0.65%)	117,885(0.62%)	128,118(0.61%)	138,168(0
Koyuk	5,126(0.04%)	25,759(0.17%)	26,851(0.16%)	27,672(0.14%)	28,270(0.13%)	28,710(0
Koyukuk	935(0.00%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0
Kupreanof	474(0.00%)	20,253(0.13%)	21,165(0.12%)	21,852(0.11%)	22,355(0.10%)	22,727(0
Kwethluk	10,630(0.08%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0
Larsen Bay	1,343(0.01%)	20,985(0.14%)	21,930(0.13%)	22,642(0.12%)	23,163(0.11%)	23,548(0
Lower Kalskag	46,218(0.38%)	87,163(0.59%)	87,918(0.52%)	88,436(0.47%)	88,685(0.42%)	88,760(0
Manokotak	5,101(0.04%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0
McGrath	21,926(0.18%)	31,296(0.21%)	31,777(0.18%)	32,125(0.17%)	32,341(0.15%)	32,469(0

e No. 5
centage Breakdown of Population and Entitlements
luding Hospital and Health Funding

AL T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,74
econd Class Cities (con't)						
.Mekoryuk	$ 4,165(0.03%)	$ 25,377(0.17%)	$ 26,520(0.15%)	$ 27,381(0.14%)	$ 28,011(0.13%)	$ 28,477(0.1
.Mountain Village	35,024(0.29%)	45,544(0.30%)	45,939(0.27%)	46,209(0.24%)	46,340(0.22%)	46,379(0.2
.Napaktak	11,129(0.09%)	26,982(0.18%)	27,910(0.16%)	28,604(0.15%)	29,101(0.14%)	29,458(0.1
.Napasktak	5,042(0.04%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Newhalen	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
.New Stuyahok	5,355(0.04%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
.Newtok	3,687(0.03%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Nightmute	3,048(0.02%)	26,024(0.17%)	27,081(0.16%)	27,874(0.14%)	28,451(0.13%)	28,872(0.1
.Nikolai	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Nondalton	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
.Noorvik	17,332(0.14%)	27,574(0.18%)	28,554(0.17%)	29,287(0.15%)	29,814(0.14%)	30,194(0.1
.Nulato	10,355(0.08%)	28,839(0.19%)	29,649(0.17%)	30,252(0.16%)	30,673(0.14%)	30,967(0
.Nulqsut	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Ol Harbor	14,176(0.11%)	23,366(0.15%)	23,993(0.14%)	24,457(0.13%)	24,780(0.11%)	25,004(0.1
.Onzinkie	2,922(0.02%)	21,360(0.14%)	22,255(0.13%)	22,927(0.12%)	23,417(0.11%)	23,777(0.1
.Pilot Station	10,727(0.08%)	26,672(0.18%)	27,641(0.16%)	28,368(0.15%)	28,890(0.13%)	29,268(0.1
.Platinum	20,298(0.16%)	41,085(0.27%)	41,441(0.24%)	41,685(0.22%)	41,803(0.20%)	41,838(0.1
.Point Hope	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Port Alexander	985(0.00%)	20,253(0.13%)	21,165(0.12%)	21,852(0.11%)	22,355(0.10%)	22,727(0.1
.Port Heiden	38,515(0.32%)	82,275(0.55%)	82,988(0.49%)	83,477(0.44%)	83,712(0.40%)	83,783(0.3
.Port Lions	8,863(0.07%)	22,291(0.15%)	23,061(0.13%)	23,637(0.12%)	24,050(0.11%)	24,346(0
.Quinhagak	10,369(0.08%)	26,186(0.17%)	27,221(0.16%)	27,998(0.14%)	28,560(0.13%)	28,971(0
.Ruby	2,764(0.02%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0
.Russian Mission	-0-	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Saint Michael	6,751(0.05%)	25,377(0.17)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Saint Paul	67,644(0.56%)	115,990(0.78%)	116,994(0.69%)	117,684(0.62%)	118,016(0.56%)	118,115(0.5
.Savoonga	9,792(0.08%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1

e No. 6
centage Breakdown of Population and Entitlements
luding Hospital and Health Funding

AL-€ 'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,74
econd Class Cities (con't)						
.Saxman	$ 6,234(0.05%)	$ 20,965(0.14%)	$ 21,650(0.12%)	$ 22,163(0.11%)	$ 22,527(0.10%)	$ 22,788(0.1
.Scammon Bay	7,840(0.06%)	26,186(0.17%)	27,221(0.16%)	27,998(0.14%)	28,560(0.13%)	28,971(0.1
.Selawik	9,901(0.08%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Shageluk	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Shaktoolik	24,323(0.20%)	45,544(0.30%)	45,939(0.27%)	46,209(0.24%)	46,340(0.22%)	46,379(0.2
.Sheldon Point	-0-	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Shishmaref	11,833(0.09%)	26,659(0.18%)	27,630(0.16%)	28,358(0.15%)	28,881(0.13%)	29,260(0.1
.Shungnak	3,782(0.03%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Stebbins	7,398(0.06%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Tanana	25,194(0.21%)	36,208(0.24%)	36,522(0.21%)	36,737(0.19%)	36,841(0.17%)	36,872(0.1
.Teller	8,229(0.06%)	27,118(0.18%)	28,028(0.16%)	28,708(0.15%)	29,193(0.14%)	29,541(0.1
.Tenakee Springs	4,414(0.03%)	20,769(0.14%)	21,612(0.12%)	22,206(0.11%)	22,706(0.10%)	23,042(0.1
.Toglak	15,665(0.13%)	27,708(0.18%)	28,477(0.17%)	28,986(0.15%)	29,337(0.14%)	29,576(0.1
.Tok Cut-off	8,701(0.07%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Tuntutuliak	26,405(0.22%)	43,952(0.29%)	44,332(0.26%)	44,594(0.23%)	44,720(0.21%)	44,757(0.1
.Tununak	7,159(0.05%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.1
.Unalakleet	29,882(0.24%)	31,344(0.21%)	31,688(0.18%)	31,929(0.17%)	32,063(0.15%)	32,124(0.1
.Upper Kalskag	3,974(0.03%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Wainwright	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Wales	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
.Wasilla	51,614(0.43%)	112,145(0.76%)	113,116(0.67%)	113,783(0.60%)	114,104(0.55%)	114,200(0.5
.White Mountain	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.1
.Whittier	21,567(0.18%)	29,583(0.20%)	29,839(0.17%)	30,015(0.16%)	30,100(0.14%)	30,125(0.1
.Deering	3,276(0.02%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.1
.Ext Fire Areas	-0-	19,521(0.13%)	20,400(0.12%)	21,062(0.11%)	21,547(0.10%)	21,905(0.0

Arliss' copy

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM February 15, 1980

TO: Representative Bill Parker
Senator Arliss Sturgulewski

FROM: Jack Kreinheder, Issues Analyst

RE: Revenue Sharing Research
Research Request #8.

Introduction

You have asked that I prepare an analysis of the present revenue sharing program and of the revenue distribution plan incorporated in HB 192, with respect to the criteria set forth in my memo of January 14 and discussed at our meeting the next week. This memo is intended to provide you with the requested analysis and to inform you of other findings of my research to date, the most important of which is that a foundation approach to revenue sharing was introduced in 1975 as HB 539. A copy of the bill is attached, along with a brief report by Mike Miller, Chairman of the Interim Committee on Shared Revenues with Municipalities, which drafted the legislation. I have also attached as background information two memos prepared for Rep. Gardiner by John Williams of the former Research Division and Jack Chenoweth of Legal Services. One memo is a sectional analysis of HB 192 and the other is a general discussion of present law and HB 843, the predecessor to HB 192. The major changes between the two bills are that the per capita income factor was dropped from the equalization formula and eligible local revenues were expanded in HB 192.

Summary of Comparative Analysis

The revenue sharing proposal embodied in HB 192 appears to represent a marked improvement over the present program with respect to six of the ten criteria which we agreed upon as possible goals for the revenue sharing program. The comparison for the remaining four criteria yields mixed or uncertain results. The four criteria for which HB 192 offers no definite advantage over the current program are (by their original numbers): (4) Creation of incentives for transfer of service delivery responsibility from the State to municipalities; (5) Creation of incentives for local government formation in the unorganized borough; (6) Encouragement of local effort in funding basic or additional services; and (10) Encouragment of efficient delivery of services.

It is important to note that although HB 192 may constitute a substantial improvement over the present program in terms of six criteria, there may be alternative systems or modifications which would more completely fulfill some or all of the goals represented by these criteria, and by the four criteria with which HB 192 does not clearly comply. However, it is encouraging, given your emphasis on the use of HB 192 as a legislative vehicle, that the bill does appear at the outset to be compatible with most of your priorities for the revenue sharing program.

The ten criteria will each be evaluated below. For each criterion, the implications of the present program will first be discussed, followed by a comparative evaluation of the HB 192 proposal.

I. An Equitable Allocation of Financial Resources

Because equity is such a subjective term, this criterion cannot meaningfully assessed in isolation, but must be considered in the context of other criteria, primarily those relating to distribution of funds. These distribution criteria are: (2) provision of a minimum level of basic services; (3) consideration of local population, wealth and need; and (7), pertaining to tax equalization. Each of these criteria will be discussed in detail below, but their relevance for the equity question can be summarized here.

Present Revenue Sharing Program

Under present law, approximately 75 percent of revenue sharing funds are distributed on a per capita basis, with the entitlements dependent on the type of service provided. The remaining funds are allocated for road maintenance and health facilities and hospitals; these entitlements are based on the number of road miles maintained and the number of beds in each health facility and hospital (or on a per facility grant).

Criterion (2) is not addressed at all by the per capita portion of the entitlements in terms of funding. The Department of Community and Regional Affairs (CRA) has promulgated regulations specifying minimum levels of service for each of the categories, but the entitlements are still based solely on actual population, with no floor or minimum entitlements provided. A minimum grant is authorized for hospitals and health facilities.

Criterion (3) is met only to a limited degree by the present program. Population is, of course, the major factor used in computing current entitlements. Criterion (3) suggests however, that population alone

is not an equitable basis for the sharing of state revenues, and that local wealth and need should also be considered. Local wealth plays no part in the current program. If anything, entitlements are positively related to local wealth, because revenue sharing entitlements pay only a part of most service costs; therefore, a poor community may not be able to provide many services and will not receive the corresponding entitlements. Need is considered by the present program only as a function of population and the number of services provided. The structure of the program assumes that if a particular service is needed, it will be provided by the municipality and the level of the service will be determined by the population.

With respect to criterion (7), pertaining to tax equalization, the current program has no positive impact, and may actually contribute to a disequalization of the tax burdens borne by the residents of different municipalities.

In light of the three aspects of the equity question discussed above, the current revenue sharing approach appears to have major deficiencies in several areas. The program does not provide for an equitable allocation of financial resources, when evaluated in accordance with the agreed upon criteria. It is important to note that an entirely different finding could be reached if different criteria or priorities were employed. For example, Representative Parr's amendment last session to HB 192, which specified that no community could receive less revenue than its population percentage share, suggests a prioritization of the population factor at the expense of tax equalization and the consideration of local wealth and need. Were population to be treated as the major component of equity, the present program would fare a good deal better in an evaluation of this type.

HB 192

HB 192, as evaluated by three criteria stated above, is a clear improvement over the present program. Criteria (2) and (7) are addressed in the title of HB 192, which reads in part that the act provides for "minimum entitlements" and for "equalization of the tax resources of municipalities." With regard to criterion (3), HB 192 would replace the current system of per capita service entitlements with an equalization entitlement "based on the population, relative ability to generate revenue, and local tax burden of the taxing unit." Both the current program and HB 192 consider population but HB 192 also addresses the other two factors in criterion (3), local wealth and need. A more detailed discussion of this issue will be deferred to the full analysis of criterion (3).

As a final point on the equity criterion, it should be noted that greater equity is one of the two major purposes stated in HB 192. Section 1 of the act states that the purpose is to "improve the revenue raising and distribution system for the benefit of residents of home rule and general law municipalities by providing for more equitable allocation of financial resources among municipalities to improve their fiscal capacities." Of course, legislative intent and the actual results of implementation can diverge considerably, as is discussed in relation to the present program below; but this analysis suggests that the revenue distribution proposal in HB 192 should accomplish its stated goals regarding equity, where equity is again defined in terms of the component criteria discussed in this memorandum.

II. Assurance of a Minimum Level of Basic Services to Residents of Organized Municipalities

Present Program

As mentioned earlier, the only minimum entitlement provision in the present revenue sharing program is for hospitals and health facilities. The basic hospital entitlement is $1,000 per bed, up to $75,000 per hosptial, but a municipality with a hospital having less than 10 beds may elect to receive a flat $25,000 grant. Similarly, a health facility is eligible for an entitlement of $1,000 per bed, but the local government may receive a flat $4,000 grant for each facility if it chooses.

The intent of these minimum payments is clearly to account for the fixed costs and economies of scale which exist for the provision of hospital and health care services. The statute gives recognition to the fact that a hospital with less than 10 beds is likely to have substantially higher operating costs per bed than a larger hospital. A minimum level of physician services and treatment facilities is necessary for the operation of any hospital or health facility, and these costs are spread over a smaller number of patients and beds.

Similar economies of scale exist for many other services as well, but the current revenue sharing program does not allow for this factor in the per capita service entitlements. For example, a community of 200 persons receives the same entitlement ($12 per capita) for police services as does the Municipality of Anchorage, even though the smaller community would receive a much smaller percentage of the costs it incurrs for police services. Assuming for the moment that a minimum level of

police protection is one officer per 1,000 people or community, the 200 person community would receive only $2,400 in revenue sharing funds towards the cost of its one policeman. Anchorage, on the other hand, would receive $12,000 for each officer ($12 x 1,000 people).

The Community and Regional Affairs Department does administer minimum standards regulations, under 19 AAC 30.020. As an example, a community requesting revenue sharing funds for police protection must demonstrate that one or more police officers is on duty or on call at all times, and that the officers employed meet certain age and training requirements. Similar regulations cover each of the services for which revenue sharing funds are provided.

Although these minimum service standards do provide some assurance that services provided by municipalities are adequate, the standards are not backed up with funding for minimum service levels. Because service entitlements are on a straight per capita basis, a community must have a fairly sizable population before revenue sharing funds will provide a substantial percentage of the total cost of service provision at the minimum service levels specified by regulation.

HB 192

The revenue sharing plan proposed in HB 192 would replace all of the per capita entitlements, except for volunteer fire departments, with an equalization entitlement, which is discussed in more detail below. The equalization entitlement provides revenue sharing funds only to municipalities which levy taxes; however, the bill also provides a minimum entitlement of $25,000 plus an area cost-of-living differential for each fiscal year if the municipality meets certain requirements which are set forth in the bill and pertain to elections, council meetings, budget matters, and codification of ordinances. Municipalities are free to spend the $25,000 on meeting the above requirements, provision of municipal services, or on whatever they wish. The minimum entitlement provision substantially increases the revenue sharing funding available to the smaller communities in comparision to amounts allocated under present law.

In addition to increased funding through the minimum entitlement provision, two other factors suggest that HB 192 might provide more assurance of a minimum level of services than the present program. The first is that a municipality receiving a minimum entitlement must organize its administrative affairs as specified in the bill and must hold regular council meetings. Better organization may allow more efficient administration of municipal services. Regular council meetings should provide the residents of the municipality with more control over what services, and what levels of service, are provided by the municipal government.

The second factor is that all municipalities are given greater freedom over the types of services to be provided with revenue sharing funds they receive under HB 192. The current program provides funds only for a set of statutorily specified services, while HB 192 would provide municipalities with a single sum to be used for services of the municipality's choosing (exceptions are road and hospital entitlements which would still be administered on the current basis). Municipalities are therefore able to give greater emphasis to those services most necessary or desirable for their own residents. Although minimum levels of service may not be provided for all of the basic services we discussed, each municipality is more likely to provide adequate levels of service for those services of most importance in that community.

III. Consideration of Local Population, Wealth and Need

Present Program

As we noted earlier, most of the current revenue sharing funds are allocated on a per capita, service specific basis. The allocation criteria for the remaining funds are miles of road maintained, for road entitlements, and number of beds or facilities, for hospitals and health facilities. The distinction between the per capita and the other entitlements is significant in terms of the priorities stated in criterion (3), because the non per capita entitlements more closely reflect these priorities, with the notable and obvious exception of the wealth factor. The distinction between the two categories of allocations is also important because HB 192 deletes almost all of the per capita entitlements in present law, while the entitlement amounts only are modified in the road and health care sections.

The most striking deficiency of the present program with respect to criterion (3) is that local wealth is in no way considered as a factor in determining the per capita, road, or health entitlements. It appears that wealth may have an indirect effect on entitlement amounts, but the effect is directly opposite to that intended by criterion (3), which suggests that wealthier municipalities should receive a lower level of revenue sharing funds, other factors being equal. The current program, on the other hand, may tend to favor local governments with greater financial resources, as less wealthy municipalities are less likely to be able to afford to provide all services that are eligible for revenue sharing. Because revenue sharing grants cover only a part of the cost of most services, communities without a substantial tax base may not be able to fund their necessary share, and therefore would receive less

revenue sharing support than a community of equal size but greater wealth.

With respect to the population criterion, the principal drawback of the present program is that population is over-emphasized at the expense of the wealth and need criteria. However, population is not considered at all in the determination of road and health entitlements, apparently because miles of road maintained and number of beds or facilities are regarded as indicators of need. The adequacy of these indicators is another question, but it does seem desirable to employ indicators which more directly reflect need when possible, rather than using population as a proxy for local need.

It is essential to distinguish between two types of need in regard to the State revenue sharing program. The first type of need, and the one which is most commonly thought of in this context, is the degree to which the residents of a particular municipality require a particular service or set of services.

The second type of need is equally important and refers to the degree of necessity for State support of services provided on the local level. This type of need is dependent not only on wealth, but also on the level of taxation, neither of which are considered under the current revenue sharing program.

HB 192

The principal purpose of the proposal embodied in HB 192 is to make revenue sharing entitlements more equitable by introducing local wealth and tax burden factors as allocation criteria. Local wealth is defined in terms of the full and true assessed property valuation in each municipality. HB 843 also included per capita income as an indicator of local wealth, but this provision was apparently dropped because the available data were not sufficiently accurate.

The tax burden is related to the need for State support of local services, as discussed above, but is also correlated in a more general fashion with the need for the services themselves. In theory, the tax rate in each municipality should reflect the level and number of services provided by municipal tax revenues. The weak link between the tax rate and the need for local services is that the type and level of municipal services may not correspond with the actual need for the various services. However, the emphasis of both HB 192 and the criteria discussed here appears to be on local control of service delivery, thus necessitating a reliance on the ability of local governments to identify and meet local needs.

The need criterion is the least specifically defined and understood of the population, wealth, and need group, and may be one area which should receive further attention. But although local tax effort may not be the ideal indicator of local service needs, it seems clear that the combination of population, wealth, and tax effort upon which the HB 192 formula is based represents a marked improvement over present law.

IV. Creation of Incentives for the Transfer of Service Delivery Responsibility from the State to Municipalities

Present Program

By authorizing catergorical grants for the provision of municipal services, the current program does provide incentives for local governments to provide certain services. However, the strength of the incentives is limited by the statutorily specified set of services which are eligible for revenue sharing funds, and by the fact that municipalities must still pay most of the cost of locally provided services. No incentive is provided for the establishment of local services which are not on the eligible list. In addition, because no minimum level of funding is provided for the per capita services, the incentive for providing local services is diminished for these local governments with relatively few people residing in their jurisdictions.

HB 192

The implications of HB 192 regarding such incentives differ in several major respects from current law. The first is that the incentive for locally provided services is not limited to specific services, but applies instead to any service which a municipality may wish to provide. The bill thus broadens the scope of revenue sharing incentives.

However, this broadening of scope also diminishes State control over which services are locally provided. HB 192 may not be an improvement in this respect if incentives are intended to promote local provision of special services.

The minimum entitlement provision of HB 192 alleviates, at least to some extent, the declining incentive problem faced by small communities under present law. However, the bill does not specify that the entitlements must be spent on local services, so the strength of the minimum entitlement incentive depends substantially on the priorities of each local government.

An additional point is that the increased level of revenue sharing funding which HB 192 would provide should logically increase the incentive for local provision of services in a roughly proportional fashion, since more state funds would be available for these services.

The final consideration regarding incentives for local assumption of service delivery is that while the current program is selective in terms of the types of services for which these incentives are provided, HB 192 is selective with respect to the amount of funding, and therefore incentive, provided to communities of differing tax effort. The effect of the equalization entitlement is to provide a greater level of funding, and therefore a greater incentive for local services, to local governments with high tax rates. Two different conclusions can be drawn from this situation. One is that municipalities with high tax burdens will have more difficulty in raising tax rates than municipalities with low tax effort; therefore the former municipalities require a larger incentive i.e, more funding, than the latter to encourage the provision of local services. A contrary argument might be that a high tax rate is an indicator that a municipality already provides many local services, and that the incentives should be directed at those municipalities with low tax rates and few locally provided services.

V. Creation of Incentives for Local Government Formation in the Unorganized Borough

Present Program

This criterion is one which deserves further research; however, my work to date indicates that both the current program and HB 192 are neutral with respect to incentives for borough formation, and both provide positive incentives for the incorporation of cities, with HB 192 providing stronger incentives than the present program. The current program has a provision, Section 43.18.045, which prevents any loss in revenue sharing funding when municipalities unify or merge with a borough. If a borough is formed which assumes service responsibilities formerly held by cities, the cities will lose some revenue sharing funding, but the loss will be proportional to the decrease in service responsibilities.

John Williams noted in the attached memorandum of February 17, 1978 that the system of revenue sharing distribution provided in HB 843 "would appear to have a neutral effect with respect to the unification of existing governments. We do not find any circumstances where a subsequent unification agreement would cause a decrease in the revenue sharing entitlement for identical services." The same finding would

appear to apply to HB 192. HB 843 contained a hold harmless clause for non per capita entitlements which was deleted in HB 192. However, this deletion apparently has no effect on entitlement levels. Jack Chenoweth indicated that the clause was dropped because there was no situation in which HB 192 could create this type of revenue loss.

Positive incentives are provided under both present law and HB 192 for the incorporation of cities, because such cities become eligible to receive revenue sharing funds. The incentives under present law may be rather weak because of the per capita structure of the program, the lack of minimum entitlements for the various services, and the fact that communities considering incorporation are generally quite small. The combination of these factors indicates that many communities may not have a great deal to gain from revenue sharing by incorporating. Still, some positive incentive is provided.

HB 192

HB 192 substantially increases the incentive for incorporation of small communities by providing minimum entitlements of $25,000, as discussed earlier. Although no funding can be realized under the equalization entitlement unless taxes are levied, the minimum entitlement alone can provide such communities with a substantial grant of State revenue sharing funds. If a community is considering incorporation in order to raise local tax monies, HB 192 greatly increases the incentive for incorporation over the present program. Under current law, it makes no difference in determining entitlements whether a local tax is levied, but HB 192 specifically considers the generation of local revenue in the equalization formula. Given the small tax base of most unincorporated communities, even a small generation of local revenue would constitute a substantial local effort factor and the entitlements, relative to the number of residents, would be substantial.

VI. Encouragement of Local Effort in Funding Services

Present Program

Application of this criterion reveals the greatest deficiencies in both the present program and HB 192, because its intent is contrary to the legislative intent of the revenue sharing program, which is to enable local governments to reduce tax rates. The legislative intent for the program was restated through the passage of HB 89 in 1977 to read:

"The intent of sections 10-100 of this chapter in authorizing state aid for...municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year." The present program therefore encourages a decrease, rather than an increase in local effort for funding services.

HB 192

Although the above statement of intent would be repealed by HB 192, the bill appears to implicitly retain a similar intent to reduce local effort. However, HB 192 would seem to be an improvement over present law with respect to encouraging local effort, because instead of providing the same entitlement regardless of local effort, HB 192 provides less funding for local governments which levy lower, or no taxes. Some incentive is therefore provided for municipalities to increase local effort, and thereby increase their revenue sharing entitlements. This incentive appears to be an incidental result of the equalization formula, rather than an intentional inducement to increase local effort. HB 192 would provide approximately one dollar in revenue sharing funds for each additional three dollars raised through local effort, other factors held constant. However, if many communities increased their local effort, the proration factor would be substantially reduced unless appropriations for the program were increased. A widespread increase in local effort would therefore result in little additional revenue sharing funding.

HB 192 does represent a major shift in direction with respect to local effort. Although the intent may still be to allow municipalities to reduce tax burdens, the bill replaces the blanket incentive offered by the present program with a more selective approach that focuses the incentive for reduced effort on those municipalities with high or excessive local tax burden, where it may be inappropriate to encourage further increases in local effort.

VII. Consideration of Tax Rates Equalization--Taxpayers Statewide Should Pay Roughly the Same Percentage of the Cost of a Minimum Level of Basic Services

Present Program

Because the current program does not consider local tax effort in the provision of municipal services, tax equalization plays no part in revenue sharing under current law. This would appear to constitute a major difficulty in fulfilling the legislative intent of the program.

For example, communities with no local taxes receive revenue sharing dollars for services at the same rate as a community supplying the same service with a 20 mil property tax rate and a 3 percent sales tax. Clearly the former community cannot reduce the tax burden for its citizens any more by receiving revenue sharing dollars, while revenue sharing funds would allow only a small decrease in the large tax burden of the latter community. Yet the current program provides entitlements at the same rate to communities with tax burdens as disparate as the example cited.

HB 192

Tax equalization is one of the major purposes of this bill, as mentioned earlier. By comparing the amount of revenue raised - not just by taxes, but also by fees, licenses, and other sources which replace taxes - with the tax base of the municipality, the HB 192 formula determines a local effort factor which reflects the equivalent tax burden on the residents of each municipality. Again, municipalities in which residents pay heavily for municipal services are granted a higher entitlement than muncipalities with light or nonexistent tax burdens, population aside.

It is important to note that HB 192 does not fully meet the intent expressed in criterion (7), because there is no assurance that tax rates will actually be equalized. There is nothing to prevent communities which now levy no taxes from continuing this policy. Similarly, local governments with high tax burdens are not required to reduce taxation rates in consideration of revenue sharing; if they wish, they could use the funds to provide additional services. However, some inducement for communities with high tax burdens to reduce taxes may be provided by the requirement in the bill that municipalities post notices of the mil levy equivalent of revenue sharing funds received, thus informing residents of the potential for reducing local taxes.

I would like to raise an important point which I think was overlooked in our discussion of criterion (7). The criterion does not consider the wealth or tax base of municipalities as currently worded, and thus fails to consider the true tax burden placed on residents. For example, consider two communities of equal size in which it costs $50,000 per year to provide a minimum level of police protection, but one community has a much larger tax base than the other. If each community were to pay the same <u>percentage</u> of this cost, the less wealthy community would have to levy a much higher tax to raise the same amount as the wealthier community. Therefore, it is more appropriate that the communities levy the same equivalent tax rate, even though the wealthier community may pay the entire cost, while the community with the smaller tax base may

pay only a fraction. A possible restatement of criterion (7) would be that taxpayers "should contribute roughly the same level of local effort toward the cost of providing a minimum level of basic services."

VIII. Consolidation of Funding Into a Minimum Number of Channels (a Simple System is Desirable)

Present Program

The current system is simple in terms of the factors on which entitlements are based, but the number of funding channels is large because a number of other local aid programs are administered separately from the revenue sharing program. The differing requirements and entitlement levels for the per capita grants have caused some complaints by smaller communities about the complexity of the program. Some difficulty is to be expected in any program of this type, though, because of the need for cooperation with communities that do not have adequate administrative capabilities.

HB 192

In terms of complexity, HB 192 is a trade-off. The numerous per capita entitlements are replaced with a single equalization entitlement, but the basis on which this single entitlement is determined is considerably more complex than the present program. Communities would no longer need to document the provision of local services to obtain revenue sharing entitlements under the HB 192 proposal, but detailed information on expenditures and revenues would need to be provided for each fiscal year. On balance, HB 192 would be more complex to administer than the present program, but additional complexity seems unavoidable if factors such as local wealth and need are to be incorporated into the revenue sharing allocation formula. I can see no method of simplifying the HB 192 approach without undermining the purpose and effectiveness of the bill.

With regard to the consolidation of funding channels, HB 192 does not improve the current situation. The identification of other local aid programs suitable for inclusion in the revenue sharing program may be an important research need in meeting this criterion.

IX. Allowance for Differences in Delivery Systems to Meet Local Needs (Local Flexibility)

Present Program

A substantial amount of flexibility in delivery systems is provided to municipalities under the current program. For example, a local govern-

ment can receive $5 per capita in revenue sharing funds for parks and recreation services. The community has complete flexibility in choosing whether to spend this funding on park maintenance, operation of a pool facility, or any other program.

Although the current program is flexible in the sense just discussed, it is very inflexible with regard to the types of services which are eligible for revenue sharing funding, as only the services specified by statute can qualify. The State is, in effect, assuming responsibility for the prioritization of local services by specifying the eligible services and providing different entitlement amounts for the various services.

HB 192

The bill offers almost complete local flexibility over the choice of delivery systems and the types of services to be provided. The exceptions are the road and health entitlements which are retained from present law, and the minimum entitlement provisions, which imposes certain responsibilities on communities before the entitlement can be received. With these exceptions, municipalities are free to determine service priorities at the local level. If a community has no need for air or water pollution control measures, but has a strong need for improved fire protection, it is able to use revenue sharing funds in accordance with these priorities.

Although HB 192 complies quite well with criterion (9), the flexibility which it provides appears to conflict to some extent with criterion (2), which states that a minimum level of specified services should be provided in all municipalities. Criterion (2) cannot be met without specifying the desired services by statute, which would reduce local control and flexibility. As I mentioned in the discussion of criterion (2), the emphasis seems to be on local control of service delivery, thus suggesting that criterion (2) not be interpreted literally. Given this interpretation of apparent priorities, HB 192 constitutes a significant improvement over present revenue sharing laws with respect to local flexibility.

X. Encouragement of Efficient Delivery of Services

Present Program

No explicit provisions appear to be included in current law for encouragement of efficient service delivery. Although some standards of service are required by statute and regulation, I could find no incentives

for communities to meet the required standards in an efficient manner.

There is a rather substantial indirect incentive for efficient service delivery. Because the present program supplies only a portion of the total costs of most services, a substantial commitment of local funds is necessary in most cases to provide municipal services. This local commitment provides greater accountability for efficient service delivery at the local level. For those communities that receive revenue sharing funds but generate no local revenue, this local accountability is diminished.

HB 192

The principal contribution of HB 192 with respect to efficient service delivery appears to be the minimum entitlement requirements. These were discussed earlier, but their significance here is that the necessity for small communities to prepare a budget, hold regular council meetings, and so forth should clarify local expenditure patterns and increase accountability for the efficient use of these expenditures.

HB 192 may increase service efficiency in another way by replacing the per capita entitlements with the single equalization entitlement. Because a community can receive revenue sharing funds only for specific services under present law, an incentive exists for communities to provide a service even if it is not needed, in order to increase local revenues. HB 192 would remove this incentive, because the entitlements are not tied to specific services, with the exception of road and health entitlements. This exception may be a problem; some studies have cited cases of communities clearing snow from rivers just to receive the $900 per mile ice road maintenance entitlement. The efficiency criterion may deserve further research to determine if stronger incentives for the efficient delivery of services could be implemented.

Other Research Findings

The State revenue sharing program has been the subject of two major studies since its inception in 1970. The first was a report prepared by Arthur Young and Company for the Department of Community and Regional Affairs. The conclusions of the report were that an equalization approach would be too costly and was inappropriate for a state with developing governmental structures, and that a straight per capita system would be the best approach.

The second was prepared for the Anchorage Urban Observatory Program and evaluated six alternative revenue sharing proposals considered by the

Interim Committee on Shared Revenues in 1975. Although somewhat unorganized, the report provides useful information on previous revenue sharing research. Contact me if you would like to review either of these reports.

The attached foundation approach bill was introduced during the 1976 session. I asked Jack Chenoweth about the reasons for the bill's failure and he stated that lack of available funding was the principal cause. The bill basically substitutes "units" for "dollars" in determining entitlements. The only real benefit of this approach would appear to be the ease of adjustment in the level of funding for the revenue sharing program.

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December 8, 1975

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

Dear Senator Chance:

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

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

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

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MEMBER, COMMITTEE ON COMMITTEES

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

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

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

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

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

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

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

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

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

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

Additional features of the bill include the following:

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

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

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

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

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

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

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

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

Sincerely,

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

MM:smh

Enclosures

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH V | STATE CAPITOL
JUNEAU ALASKA 99811
(907) 465-3800

February 17, 1978

MEMORANDUM

SUBJECT: HB 843 (W.O. #7/R)

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we prepare an analysis of HB 843, an Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date. The following analysis consists of: (1) a discussion of present revenue sharing law; (2) an overview of the general implications of the bill; (3) the financial distribution scheme as provided for in the bill; (4) a discussion of the allocation formula; and (5) an attachment demonstrating the comparative revenue distribution under current law and HB 843.

PRESENT REVENUE SHARING

HB 843 would amend the current state aid to local governments program, as provided for in AS 43.18.010-090. The current law provides for the legislature to annually appropriate an amount to be distributed to local governments according to a series of local services which are eligible under the program. Approximately 75% of the revenues are distributed on a per capita basis; the remainder are allocated according to miles of road maintained and the number of health facilities and hospitals (either on a per facility basis or a per bed basis). Services in support of military installations are apportioned on a per capita

basis but according to a different schedule than utilized for civilian populations. The Department of Community and Regional Affairs (CRA) determines whether a municipality qualifies under the provisions specified for each eligible service category. When eligibility has been certified, the municipality then receives a statutorily set amount per capita (or medical facility or mile of road maintained) specified for each service category. For example, a municipality receives $12 per capita for police protection, $7.50 per capita for fire protection, and $2 per capita for land use planning. Should the liability of the program exceed the legislatively appropriated amount, all municipal entitlements are prorated so that the total liability equals the available money.

The legislative intent for the program was restated via the passage of HB 89 in 1977 (120 SLA 1977 becomes effective July 1, 1978) to read "(t)he intent of §§ 10-100 of this chapter in authorizing state aid for....municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year" (sec. 4, HB 89).

Using the criteria established by the legislative intent, there would appear to be two considerations regarding the present revenue sharing law which indicate that it cannot fully accomplish the intent. (1) The present distribution system does not consider the local tax rate in distributing revenues. Those communities which have a relatively high tax rate receive payments at the same rate as communities which supply minimal or no services from local taxes. Instead, present law directs the Dept. of CRA to determine whether specific services which

are being supplied by the municipalities qualify them for categorical entitlements, regardless of differences in tax rates utilized in funding those service categories.[1] (2) Additionally, present law does not include "ability to pay" considerations. A community with a larger than state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. The same criticism can be raised with respect to per capita income differentials from which taxes are paid. A circular argument can be developed which demonstrates that poorer communities must set taxing rates at higher levels to generate the same revenues per capita as wealthier municipalities, which in turn requires a greater proportion of the disposable income of the poorer municipality residents to pay the additional tax burden vis-a-vis wealthier communities. The alternative for the poorer community is to forgo local services, which causes concomitant financial loss if the forgone services were eligible for revenue sharing dollars. The actual result is often substandard services.

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[1] The eligible services list has expanded since inception and presently includes services related to health and welfare, transportation, recreation, and economic development (a bill before the legislature this year would add cultural activities). Since the eligible services list has greatly expanded, it would appear timely to consider allowing any public service specifically authorized by a municipality to be considered as eligible for revenue sharing dollars. A method for accomplishing this would be to look directly at the local tax rate in determining the distribution of the revenue sharing appropriation, since the tax rate will reflect the level and number of services provided by municipal tax revenues.

OVERVIEW OF HB 843

HB 843 repeals essentially all provisions of the present revenue sharing law which allocate monies on a per capita basis (police, fire, parks and recreation, land use planning, transportation, and air and water pollution control). Present law which allocates monies for health facilities, hospitals, road maintenance, fire districts outside of municipalities, and support of military installations is saved.

The repealed portion is replaced with a per capita allocation system based upon population, taxing rate, and a factor which compares each local government to the state average using per capita property value and per capita income as indicators. Our analysis indicates that any appropriation to the program in excess of $23 million will increase the entitlement for all local governments with local tax ordinances in effect except the North Slope Borough and the City of Valdez. Several second class cities and one first class city with no local taxes would receive less. Section 9 of the bill provides for all local governments to be held harmless for three years after passage, such that no municipality will receive less during that three year period than they did in 1978, regardless of their entitlement as calculated by the specified formula.

FINANCIAL DISTRIBUTION SCHEME

HB 843 provides that revenue sharing dollars shall be utilized by municipalities in the taxing jurisdiction for which the amount of entitlement is determined. Boroughs with area-wide taxes for general government services except education shall receive revenue sharing

allocations to be used for area-wide purposes. For boroughs with differential taxing rates in service areas, revenue sharing entitlements based upon the service area tax rates must be utilized only in those service areas. First or second class cities with city-wide taxes would receive an allocation based upon the city-wide tax rate to be used city-wide (except for education). Cities with differential taxing zones would receive allocations according to the tax rate applied in each differential tax zone.

This system of distribution would appear to have a neutral effect with respect to the unification of existing governments. We do not find any circumstance where a subsequent unification agreement would cause a decrease in the revenue sharing entitlement for identical services. The bill contains a hold harmless clause for entitlements under the non per capita portion should a subsequently unified local government be entitled to less than the preceding multiple local governments.

ALLOCATION FORMULA

HB 843 specifies a formula to be used in determining entitlements for per capita revenue sharing distributions. The formula utilizes three considerations: (1) population; (2) tax rate; and (3) the relative "ability to pay" of each local government or subunit thereof.

The formula is:

$$\text{Entitlement} = \underbrace{P}_{A} \times \underbrace{\left[\underbrace{(PT + 2.3ST)}_{B} \times \underbrace{\left(\frac{SPCPV/LPCPV + SPCI/LPCI}{2}\right)}_{C}\right]}_{D}$$

where P = population
PT = property tax mil rate
ST = sales tax per cent rate
SPCPV = state average per capita property value
LPCPV = local per capita property value
SPCI = state average per capita income
LPCI = local per capita income

We will discuss the formula according to the portions indicated by the braces.

Part A

The population is determined in the same fashion as provided for in present law. Any reasonable population estimate is accepted by the Dept. of CRA.

Part B

Part B indicates the portion of the formula which determines the local tax rate. Property tax mil rates and sales tax per cent rates are converted to mil equivalents. The 2.3 conversion factor multiplied by

the sales tax rate was determined by comparing the revenue that could be generated by applying a one mil property tax to the total full and true assessed property value in the state and a one per cent sales tax to the total retail business in the state. That comparison demonstrates that a one per cent sales tax would generate 2.3 times more revenue than a one mil property tax.

Part C

The portion of the formula set out by brace C averages two ratios that compare the "economic base" of each local government to the state average. The ratios are mathematically designed to create a number larger than one for communities lower than the state average for the two indicators, and a number smaller than one for communities above the state average. The average of the two ratios is then multiplied times the computed tax rate so as to adjust upward the local tax effort of economically disadvantaged communities and downward economically advantaged communities.

Part D

The portion set out by brace D is called the local effort factor, and is not allowed to exceed 25. The ceiling has the effect of setting a limit on the amount of support given to each municipality under the revenue sharing program. This, in combination with the required publishing of revenue sharing entitlements, would appear consistent with the legislative intent of the program, which is to diminish local tax burdens.

The bill further provides for adjustments in both sales tax and property tax rates based on optional exemptions allowed under Alaska law. As an example, a municipality utilizing the $10,000 residential property tax exemption would be required to declare the revenues forgone by the exemption, and a comparative portion of the tax would be excised from the tax rate base before computing that municipality's entitlement. Mandatory exemptions, such as agricultural lands and senior citizens housing would not affect the tax rate, since the forgone revenues are reimbursed by the state.

JW:dh

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

M E M O R A N D U M February 2, 1979

SUBJECT: Sectional Analysis of the Municipal League's Revenue Sharing Reform Proposal (Work Order No. 6162)

TO: Representative Terry Gardiner

FROM: John B. Chenoweth
Legislative Counsel

John Williams
Policy Analyst

In response to your request of the Legislative Council on July 21, 1978, we have participated with a special committee of the Alaska Municipal League in drafting a revenue sharing reform bill, which is now complete. The Board of Directors of the League approved the draft at its meeting in Juneau on January 19, 1979 (copy enclosed).

Following is a sectional analysis of the committee's product.

*Section 1. PURPOSE.

Three purposes are stated: (1) equity of allocation of state resources with municipalities; (2) basic support to municipalities for public services irrespective of physical location of taxable wealth; and (3) improvement of the administrative capacity of less populous municipalities.

*Section 2. CHAPTER 88.

This chapter contains the major revision of the revenue sharing program. In the most general terms, it provides for the computation and distribution of an "equalization entitlement" for local government services in accordance with a formula and schedules set out in the sections incorporated in the chapter.

Sec. 29.88.010 specifies the method that is utilized to distribute revenues under the chapter. Three factors are

applicable: population, revenue generation, and property value base.[1] The formula multiplies the population of the taxing unit[1] by the mill rate equivalent of allowed revenues[2] generated by the municipality. The sum of allowed revenues is divided by one-thousandth of the full and true taxable property value within the taxing jurisdiction. The resultant quotient is referred to as the "local effort" for the municipality: is equal to the full and true mill rate equivalent of all allowed revenues generated by each municipality.

Sec. 29.88.015 specifies the means whereby population numbers shall be determined. Generally, Bureau of the Census data will be utilized; however, other reliable data in the judgment of the Department of Community and Regional Affairs may be used. The provision for population count is not unlike the provision of the current state aid program. Unlike the current program, however, no separate treatment is given the counting of persons who are residents of military reservations.

Sec. 29.88.020 describes the means whereby mill rate equivalent determinations will be made. Initially, a certified statement submitted by each municipality, on a form provided by the department, will specify the revenues generated in each municipality. This shall be accomplished by all municipalities by

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1/ A "taxing unit" is defined, for purposes of this program as "a city, borough, unified municipality, or service area or differential tax zone."

2/ Allowed revenues include tax revenues plus other revenues which will diminish the necessity of incremental tax revenues, including inspection fees, permits, fines, penalties, use fees, and income from mass transit, offstreet parking, and recreation programs. Revenues not allowed for inclusion are tax revenues used to subsidize utilities commonly run by private businesses (as defined in sec. 45 of this chapter), interest on investments, income from the sale or lease of land or equipment, and revenues from any other source.

October 15. By December 15, the department is to make a final determination for each municipality, after reviewing all financial audits and statements submitted by the municipalities. Any adjustments made to the figures initially submitted by a municipality shall be reported to the municipality along with the revised figures.

Full and true property values shall be determined in the manner provided in AS 14.17.140 (state aid to education). In municipalities which are not school districts and thus not covered by the provisions of AS 14.17, the state assessor shall, at least once each three years, estimate the property value for all cities with populations of 750 or more. For cities which are not school districts, and which have populations less than 750, estimated property values will be determined by averaging the per capita property values of all cities having populations less than 750 and for which assessments are completed.

Sec. 29.88.025 specifies the necessary documentation that would be supplied to the department by each municipality in support of its application. The fiscal information is to be for the fiscal year which precedes the fiscal for which the entitlement is sought.

Sec. 29.88.030: As with present law, the bill provides f entitlements to be returned to the taxing unit for whic e entitlement was earned. There are two exceptions: 15 pe nt of an area-wide entitlement may be used for non area-wide purposes, and, the local government may decide the taxing jurisdiction that is to receive the entitlement generated by non-tax revenues (fees, permits, etc).

Sec. 29.88.035 establishes the tax equalization account from which entitlements earned under this chapter will be paid. The total appropriation to the account is to be distributed by prorating entitlements.

Sec. 29.88.040 gives the department authority to adopt, amend and repeal regulations necessary to implement the chapter. The regulations would contain provisions for obtaining information, set filing dates, providing notification to municipalities with respect to changes made by the department with regard to any entitlement, and a reasonable time for a municipality to respond to decisions of the department. In response

to some specific complaints by several of the Municipal League representatives who worked on the draft, language has been inserted by which the department is directed to supply application assistance to municipalities. Additionally, the department is empowered to extend the definition of utilities (section 045 of this chapter) to cover additional enterprise activities for which no working classification has been provided by statute.

Sec. 29.88.045 defines terms used in the chapter, including 'taxing unit' and 'utilities'.

*Section 3. CHAPTER 89.

Chapter 89 is, in substance, a restatement of present law regarding entitlements earned for road maintenance, health facilities and hospitals, construction aid, and volunteer fire departments in the unorganized borough. The following changes have been made from present law: (1) public road maintenance entitlements are based on $2500/mile (present law is $1500/mile); (2) ice road maintenance is based on $1500/mile (present law is $900/mile); (3) construction aid for hospitals is not multiplied by the cost of living factor, as is the case in present law; and (4) municipalities which exercise a health power will not receive a $2 per capita distribution.

Generally, this portion of present law which is saved in the Municipal League's draft bill provides for health related entitlements according to the following: (1) for hospitals with 10 or more beds -- the greater of $1,000 per bed or $75,000 per facility, (2) for hospitals with fewer than 10 beds -- the greater of $1,000 per bed or $25,000 per facility; (3) for health facilities -- $1,000 per bed or $4,000 per facility; (4) the entire entitlement received for health purposes must be used for health purposes; (5) for hospitals which were begun after January 1, 1968, the greater of $2,500 per bed or 5 percent of the construction cost annually until the total payment equals 25 percent of the total construction cost; and (6) for volunteer fire departments in the unorganized borough, $7.50 per capita. Entitlements earned under this section (except for hospital construction) are multiplied by an area cost of living differential, determined under AS 39.27.030.

Section 29.89.040 establishes a miscellaneous services account, from which payments are made under this chapter.

*Section 4. CHAPTER 90.

Sec. 29.90.010 precludes an interpretation of the general administrative provisions of the state aid program to create of a debt to the state.

Sec. 29.90.020 directs the department to allocate funds from the two accounts established (AS 29.88.035 and AS 29.89.040) and further provides that any excess funds existing in the miscellaneous services account (Chapter 89) shall then be added to the tax equalization account (Chapter 88).

Subsection (b) describes the means for determining proration of funds allocated under the equalization formula of Chapter 88 and under the minimum entitlement provisions of AS 29.90.030. After the Chapter 88 and Chapter 89 entitlements have been determined, the amount necessary to guarantee the minimum entitlement provided for in Sec. 29.90.030 is calculated and all Chapter 88 municipal entitlements are proportionally reduced so that the sum of payments under Chapter 88 and under AS 29.90.030 equal the amount available in the tax equalization account.

Sec. 29.90.030 provides for payment of minimum entitlements. All municipalities are guaranteed a minimum of $25,000 (plus the cost of living allowance for their area) if (1) a regular election has been held; (2) regular council meetings have been conducted; (3) the municipality has adopted a budget; (4) local ordinances have been codified; and (5) some degree of municipal administration is provided for through a manager, clerk, or other part-time or full-time officer.

*Sections 5 - 9.

These sections make correlative changes in AS 29 required by the state aid program changes, and are generally self-explanatory.

*Section 10.

The section repeals the statutory basis of the present program of state aid to local governments.

*Section 11: "Hold Harmless"

Section 11 specifies that, for three years after this act becomes effective, no municipality will receive less than its actual entitlement earned in the last year that the present law is applied.

*Section 12

The section specifies that the act becomes effective when $27,000,000 is appropriated to the program, or July 1, 1982, whichever is earlier.

JBC:JW:jdn

Enclosure

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 2, 1979

SUBJECT: Sectional Analysis of the Municipal League's Revenue Sharing Reform Proposal (Work Order No. 6162)

TO: Representative Terry Gardiner

FROM: John B. Chenoweth
Legislative Counsel

John Williams
Policy Analyst

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This chapter contains the major revision of the revenue sharing program. In the most general terms, it provides for the computation and distribution of an "equalization entitlement" for local government services in accordance with a formula and schedules set out in the sections incorporated in the chapter.

Sec. 29.88.010 specifies the method that is utilized to distribute revenues under the chapter. Three factors are

applicable: population, revenue generation, and property value base.[1] The formula multiplies the population of the taxing unit[1] by the mill rate equivalent of allowed revenues[2] generated by the municipality. The sum of allowed revenues is divided by one-thousandth of the full and true taxable property value within the taxing jurisdiction. The resultant quotient is referred to as the "local effort" for the municipality: it is equal to the full and true mill rate equivalent of all allowed revenues generated by each municipality.

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Sec. 29.88.030: As with present law, the bill provides for entitlements to be returned to the taxing unit for which the entitlement was earned. There are two exceptions: 15 percent of an area-wide entitlement may be used for non area-wide purposes, and, the local government may decide the taxing jurisdiction that is to receive the entitlement generated by non-tax revenues (fees, permits, etc).

Sec. 29.88.035 establishes the tax equalization account from which entitlements earned under this chapter will be paid. The total appropriation to the account is to be distributed by prorating entitlements.

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Section 29.89.040 establishes a miscellaneous services account, from which payments are made under this chapter.

*Section 4. CHAPTER 90.

Sec. 29.90.010 precludes an interpretation of the general administrative provisions of the state aid program to create of a debt to the state.

Sec. 29.90.020 directs the department to allocate funds from the two accounts established (AS 29.88.035 and AS 29.89.040) and further provides that any excess funds existing in the miscellaneous services account (Chapter 89) shall then be added to the tax equalization account (Chapter 88).

Subsection (b) describes the means for determining proration of funds allocated under the equalization formula of Chapter 88 and under the minimum entitlement provisions of AS 29.90.030. After the Chapter 88 and Chapter 89 entitlements have been determined, the amount necessary to guarantee the minimum entitlement provided for in Sec. 29.90.030 is calculated and all Chapter 88 municipal entitlements are proportionally reduced so that the sum of payments under Chapter 88 and under AS 29.90.030 equal the amount available in the tax equalization account.

Sec. 29.90.030 provides for payment of minimum entitlements. All municipalities are guaranteed a minimum of $25,000 (plus the cost of living allowance for their area) if (1) a regular election has been held; (2) regular council meetings have been conducted; (3) the municipality has adopted a budget; (4) local ordinances have been codified; and (5) some degree of municipal administration is provided for through a manager, clerk, or other part-time or full-time officer.

*Sections 5 - 9.

These sections make correlative changes in AS 29 required by the state aid program changes, and are generally self-explanatory.

*Section 10.

The section repeals the statutory basis of the present program of state aid to local governments.

*Section 11: "Hold Harmless"

Section 11 specifies that, for three years after this act becomes effective, no municipality will receive less than its actual entitlement earned in the last year that the present law is applied.

*Section 12

The section specifies that the act becomes effective when $27,000,000 is appropriated to the program, or July 1, 1982, whichever is earlier.

JBC:JW:jdn

Enclosure

THIS SECTIONAL ANALYSIS WAS COMPLETED PRIOR
TO THE ADOPTION OF SECTIONS ON
Volunteer Fire Departments
eligible revenues -- changes in
"hold harmless" change from 3 years to 5 years
Effective date changed from '82 to '83

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

April 30, 1980

The Honorable Arliss Sturgulewski
Chairman, Senate Community and
Regional Affairs Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

FILE: Legislation-1980

SUBJECT: CSHB 192(am)

Dear Senator Sturgulewski:

The City and Borough of Juneau supports HB 192 as it passed the House but requests that the following change be made in the bill to correct problems which arise out of a House Finance Committee change.

Replace lines 17 through 22 on page 2 with the following:

(C) revenue from payments in lieu of taxes made by municipally owned enterprise operations, from fees, rentals, leases, penalties, licenses or permits received during the preceding fiscal year by the municipality for a function or service over which it has control, including revenues derived from parks and recreation services, mass transit, and offstreet parking; and

The foregoing amendment

1. makes it clearer that it is the payments in lieu of taxes made by a municipal utility to the municipality which are counted as a part of local effort and that the revenue to the utility is not counted, and

2. deletes the use of the word "utility" (which is defined elsewhere in the bill for other purposes) and replaces it with the "municipal enterprise" language so that it

will include in lieu of tax payments made by all tax exempt municipal enterprise operations and not just those made by those operations which are defined as utilities, and

3. deletes revenue to municipal garbage utilities from local effort.

Thank you for your consideration of the foregoing matters.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

GLS:phl

HB192 REVENUE SHARING ENTITLEMENTS

Information from state analyses which has been incorporated in various new items (for example, see the attached article from the April 23, 1980 issue of the Anchorage Daily News) provides examples of how much additional revenues various Alaskan communities would receive under HB192 than under the present state revenue sharing formula. This information is misleading, however, in that it compares what the revenue would be under full funding of HB192 with what the revenues would be under the current statutes at about a 66% funding level.

The FY 1980 total state entitlement, excluding hospital pass-thru funding, is $18,157,087. Actual funding was $13,649,100 (75% funding level). The amount used by the state in its analysis is $12,000,226 (66% funding level). The $12,000,226 figure apparently excludes all health funding, not just hospital pass-thru funding.

According to the state analysis, under the new revenue sharing bill, Anchorage would get about $8.2 million, an increase over the nearly $5.4 million it gets now.

The $5.4 million figure ($5,352,264) for Anchorage is based on a total State-wide amount of $12 million. The $12 million dollar figure is used by the State because, as the newspaper article states, this is the entitlement under the current State revenue sharing formula. However, as was previously stated, the entitlement for State FY 1980 (July 1, 1979 - June 30, 1980) was $18,157,087.

It should be noted that Anchorage's entitlement for FY 1980 (under current statutes) is $7,849,556 (43.2% of the State total). However, Anchorage received only $5,900,692 due to the entitlement being funded at only the 75% level. The House version of the FY 1980 supplemental appropriation bill would provide for 100% funding.

The State has estimated that Anchorage will receive about $8.2 million ($8,190,667) under HB192 at a $31 million funding level. The $31 million figure, however, includes hospital funding -- the amount available for governmental purposes (and therefore comparable to the other data presented in this analysis) is $22,740,838. Anchorage's share is 36.0%.

As the data in the preceding paragraphs indicate, under HB192 Anchorage's entitlement drops from 43.2% of the State total to only 36.0%. The dollar amount of the entitlement increases slightly from $7.8 million to $8.2 million -- not from $5.4 million to $8.2 million.

A more valid comparison of the dollar amounts, however, would be to take a look at Anchorage's share if the current statutes were funded at the same dollar amount as proposed for HB192. Anchorage would then receive $9.8 million. So really we are talking about Anchorage's share under HB192 going down from $9.8 million to $8.2 million at the same funding level.

Anchorage Daily News Wednesday, April 23, 1980 a-4

Revenue sharing bill clears House

By ROXINNE ERVASTI
The Associated Press

JUNEAU — The House gave narrow approval today to a bill increasing revenue sharing to local governments to $31 million this year.

The bill, which passed 25-9 could come up for a vote later, however, as Rep. Dick Eliason, a prime opponent, gave a "notice of reconsideration."

Eliason's main complaint was that his hometown, Sitka, would have just a slight increase in state revenue sharing compared to cities he believes are similar in population, tax base and incomes.

House Speaker Terry Gardiner, D-Ketchikan, who has pushed the bill for the past three years and calls it a "reform" of the revenue sharing proposal, said lawmakers who looked only to the figures of their areas were not looking at revenue sharing on a statewide basis.

Gardiner also said they are assuming that what their areas have received under the current formula are equitable.

The bill (CSHB192) continues the $8 million appropriation for hospital construction and special categorical grants based on miles of road in a municipality and other services.

But Gardiner said it revises the general formula for distributing money to take into account local revenue raising resources of a community and how much of an effort it makes to tap them. It would also guarantee at least $25,000 to small communities which previously received little or no revenue sharing, and would guarantee that no municipalities receive less money in the next five years than they do now.

The bill must still be approved by the Senate, and some legislators who voted against it in the House said they expect changes to be made, pitching the issue into a House-Senate free conference committee.

Voting against the bill were Reps. Ramona Barnes, Bob Bettisworth, Chat Chatterton, Eliason, Joe Hayes, Terry Martin, Joe Montgomery, Randy Phillips and Dick Randolph.

Currently, the state revenue sharing formula provides about $12 million to local government and $8 million for health facilities.

With an increase to $23 million (excluding the $8 million for hospitals), Sitka would get about $255,000, or 1.12 percent of the total, compared to about $234,650 it receives now, or 1.95 percent of the total.

Meanwhile, Juneau, which gets 4.29 percent or $514,500 now, would get 6.52 percent of the total for nearly $1.5 million.

Ketchikan Gateway Borough would go from $74,806 now (a little over one-half of one percent of the total) to $283,240 or 1¼ percent of the total under the new bill.

Eliason recited some of those figures, and said "This is where I lose sense of this being equalization."

"It's patently unfair that ... we're penalizing those areas that are running good local governments and keeping down taxes," he said.

"Mr. Eliason is making the assumption that (Sitka's current share) is right and deserving," Gardiner said.

Under the revenue sharing bill, Anchorage would get about $8.2 million, an increase over nearly $5.4 million it gets now; Fairbanks North Star Borough would get nearly $1.7 million compared to about $938,000 it gets now, and Kodiak Island Borough would get nearly $161,000 compared to $52,600 now.

BILL ANALYSIS

ASSIGNMENT DATE 4-25-80

UNASSIGNED

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety	Original Sponsors: Gardiner, Anderson, Miller House Finance Committee	CSHB 192 (Finance) am

DEPARTMENT POSITION

Neutral

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Ronald A. Hendrie/by: D. Greene Ronald A. Hendrie	4-28-80	mk for William R. Nix	4/28/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)
(2) OTHER AGENCIES AFFECTED BY BILL

(1) Similar to HB843 & SB502 introduced in the 10th Legislature. Neither passed.
(2) Department of Community & Regional Affairs

(2) a. ORGANIZATIONAL SUPPORT FOR BILL

Unknown

(2) b. ORGANIZATIONAL OPPOSITION TO BILL

Unknown

(3) PROGRAM EFFECTS OF BILL

In so far as this Division is concerned there is no direct program affect reference sec. 3 (AS 29.89.025) nor is there any discernible program affect reference the remainder of the proposed act.

(4) FISCAL IMPACT: ☐ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

None

(6) COMMENTS:

The proposed act repeals AS 43.18.010-045 (State Aid For Miscellaneous Purposes) and would add new chapters to AS 29 concerning Municipal Tax Resource Equalization for local government services (AS 29.88) and State Aid For Micellaneous Municipal Purposes (AS 29.89). AS 29.89.025 State Aid to Volunteer Fire Departments is similar to existing law, however, the reference to "organized boroughs or cities" is deleted. Depending on legislative intent it appears that the act would provide for payments to all qualified volunteer fire departments both in an outside of organized boroughs or cities.

AS 29.88 would eliminate designation for funding as contained in the current law, e.g. $7.50 per capita for fire protections services, $12 per capita for police protection etc.

It is our understanding the Department of Community & Regional Affairs supports this bill.

Municipality of Anchorage

MEMORANDUM

RECEIVED
APR 8 1980 @ 1:55 pm
MUNICIPAL MANAGER

DATE: April 8, 1980

TO: Larry D. Crawford, Municipal Manager

FROM: Lu Person, Director of Management and Budget
Gene Dusek, Budget Officer

SUBJECT: HB192 Anchorage Revenue Sharing Entitlements

The latest House Research Agency analysis (Exhibit A) does not provide the information that we had requested through Mitch. We wanted the State to ~~re-run~~ rerun the program to show what Anchorage's share would be at the various funding levels if the Minimum Entitlements were not considered part of the base funding level but were add-ons. Exhibit A does not do that. The first three columns are from the previous computer runs plus a few other funding levels (but without any changes to the computer program.). The fourth column is a total of the minimum entitlements for HB192. The fifth column is Anchorage's entitlement (column 2) divided by column 1 less column 4. That really doesn't tell us what we wanted to know.

I am still concerned about the state trying to compare apples with oranges. They continue to compare what the revenue would be under full funding of HB192 with what the revenue would be under the current statutes at about a 75% funding level. They should be comparing full funding under HB192 with full funding under the current statutes. In Exhibit B I have attempted to do this. A number of assumptions had to be made in preparing Exhibit B, and they are explained in the footnotes to Exhibit B.

As shown in Exhibit B, when comparing full funding under the current statutes versus full funding under HB192, both Anchorage's percentage of the total entitlement as well as Anchorage's dollar entitlement are less under HB192 until approximately a $100,000,000 funding level.

At the actual FY 1980 full funding level of $18,157,087 (excluding hospital pass-thru funding), Anchorage is entitled to $7.8 million under the current statutes and only $6.2 million under HB192 (that equates to 43.23% and 34.07% of the State total, respectively). If the State funds revenue sharing at the commonly mentioned level of $24,000,000 (again excluding hospital pass-thru funding), Anchorage would be entitled to $10.4 million under the current statutes, and only $8.8 million under HB192 (43.23% and 36.67% of the state total, respectively).

I am therefore concerned not just with Anchorage's decrease in percentage of total state shared revenue under HB192, but also Anchorage's decrease in actual dollars received (considering 100% funding under the current statutes).

I also have some concern about trying to rationalize the behavior of the computer program. For example, in Exhibit A, I question why the decrease in the total Minimum Entitlement (column 4) isn't greater as we go from the $18,740,838

funding level to the $58,000,000 level. It would seem to me that at a $58,000,000 funding level, very few, if any governments would not be receiving their $25,000 minimum entitlement.

LP: GD: ljs

cc: Mitch Gravo
Ted Berns
Don Duhr

HB 192 ANCHORAGE
REVENUE SHARING ENTITLEMENTS*

(1) Total Entitlement	(2) Anchorage Entitlement	(3) Anchorage Percentage Share	(4) Total Minimum Entitlements	(5) Anchorage Percentage Share Excl. Min. Ent.
$18,740,838	$6,416,144	34.24%	$2,513,717	39.54%
20,740,838	7,285,973	35.12%	2,509,083	39.96%
22,740,838	8,190,667	36.01%	2,504,449	40.47%
24,000,000	8,802,645	36.67%	2,501,436	40.95%
26,000,000	9,714,024	37.36%	2,496,802	41.33%
28,000,000	10,627,317	37.95%	2,492,168	41.66%
30,000,000	11,572,859	38.57%	2,487,534	42.06%
40,000,000	16,120,482	40.30%	2,464,361	42.95%
50,000,000	20,710,053	41.42%	2,460,659	43.56%
58,000,000	24,386,126	42.04%	2,457,697	43.91%

* All entitlements include Municipal Utilities Service Assessment revenues and exclude health and hospital funding.

Prepared by:

House Research Agency
April 2, 1980

100%=$18.1 million

CHAPTER 88 PRORATION FACTOR IS 2.3605269230
MINIMUM ENTITLEMENT PRORATION FACTOR IS 0.0472520151
HOLD HARMLESS PRORATION FACTOR IS 0.9938330700

	LOCAL GOV'T	POPULATION	LOCAL EFFORT	CHAPTER 88 ENTITLEMENT	CHAPTER 83 ENTITLEMENT	MINIMUM ENTITLEMENT	HOLD HARMLESS ADD ON	PROPOSED ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND SERVICE AREAS									
1	ANCHORAGE A.W.	204,809	7.48	$3,610,325	$0	$0	$0	$3,047,500	$1,326,915
2	CITY S.A.	33,340	1.23	$242,510	$0	$0	$0	$204,202	$239,340
3	EAGLE RIVER	7,522	1.45	$25,851	$0	$0	$0	$21,767	$42,408
4	CHUGIAK	4,845	0.48	$5,491	$0	$0	$0	$4,624	$27,316
5	GIRDWOOD	487	0.94	$1,091	$0	$0	$0	$918	$4,576
6	GLEN ALPS	65	0.48	$74	$0	$0	$0	$62	$0
7	FIRE S.A.	133,593	1.38	$618,925	$0	$0	$0	$521,397	$953,835
8	ROADS & DRAINAGE	163,826	1.30	$591,159	$372,200	$0	$0	$1,405,044	$493,405
9	POLICE S.A.	135,893	2.00	$878,491	$0	$0	$0	$739,718	$1,538,798
10	PARKS & REC.	133,469	0.55	$248,533	$0	$0	$0	$209,273	$657,089
11	P & R/CHUGIAK	12,452	0.53	$15,709	$0	$0	$0	$13,228	$46,802
12	SOLID WASTE S.A.	184,290	0.13	$60,035	$0	$0	$0	$50,552	$0
13	CHUGIAK/SOLID WASTE	14,476	0.05	$1,959	$0	$0	$0	$1,650	$0
14	BUILDING SAFETY	184,216	0.21	$91,490	$0	$0	$0	$77,037	$0
15	SPECIAL ASSESSMENT	92,239	0.33	$95,258	$46,975	$0	$0	$118,475	$21,187
			TOTAL: 7,436,076 39.68%	6,416,901 46.02% of tbl Ch.88 ent.	1,019,175	TOTAL		$6,416,144 34.24% 34.01% of total	$5,352,264
16	BRISTOL BAY BOROUGH	1,685	23.33	$93,021	$13,950	$0	$0	$92,132	$48,670
17	SOUTH NAKNEK S.A.	225	1.25	$666	$0	$0	$0	$661	$0
						TOTAL		$92,793	$48,670
18	FAIRBANKS BOROUGH	66,222	7.77	$1,214,636	$135,125	$0	$0	$1,157,096	$315,424
19	BALLAINE LAKE	168	0.92	$367	$891	$0	$0	$1,134	$401
20	DIANE	66	1.17	$183	$4,600	$0	$0	$4,726	$2,074
21	WILDWIEN ACRES	77	0.28	$51	$24,495	$0	$0	$24,387	$11,048
22	SMITH RANCH	438	3.26	$3,371	$7,647	$0	$0	$10,430	$3,449
23	ENGINEER CREEK	144	1.91	$349	$0	$0	$0	$346	$0
24	ESTER LUMP	10	0.31	$7	$5,351	$0	$0	$5,320	$2,634
25	NORTH STAR F.P.	6,500	1.09	$16,734	$0	$0	$0	$14,201	$42,145
26	BECKER RIDGE	103	1.55	$306	$13,833	$0	$0	$13,105	$3,519
27	UNIVERSITY F.P.	7,177	2.36	$40,023	$0	$0	$0	$33,705	$46,533
28	LAKLOSEY HILL	50	14.49	$1,710	$3,021	$0	$0	$3,412	$3,617
29	SPRUCE ACRES	50	0.81	$96	$1,311	$0	$0	$1,331	$816
						TOTAL		$1,282,468	$937,714
30	HAINES BOROUGH	1,924	4.69	$21,329	$0	$5,545	$0	$22,829	$2,209
31	JUNEAU BOROUGH A.W.	23,115	16.80	$922,017	$0	$0	$0	$776,368	$342,042
32	S.A. 1	7,372	10.47	$182,211	$35,575	$0	$0	$188,783	$124,108
33	S.A. 2	1,667	3.25	$12,704	$12,100	$0	$0	$22,793	$20,303
34	S.A. 3	206	14.21	$5,912	$39,275	$0	$0	$34,545	$40,206
35	S.A. 4	1,501	1.33	$5,207	$0	$0	$0	$4,384	$8,970
36	S.A. 5	10,490	1.52	$37,353	$0	$0	$0	$31,374	$50,141
37	S.A. 6	766	1.09	$1,971	$0	$0	$0	$1,660	$4,313

ANCHORAGE STATE REVENUE SHARING ENTITLEMENTS UNDER FULL FUNDING OF CURRENT STATUTES AND HB 192

(Excludes Hospital Pass-Thru Funding)

	Current Statutes		HB 192	
Total Entitlement	Anchorage Share	Anchorage Percentage	Anchorage Share	Anchorage Percentage
$18,157,087 [a]	$7,849,556 [a]	43.23% [b]	$6,186,120	34.07% [c]
18,740,838	8,101,664	43.23%	6,416,144	34.24%
20,740,838	8,966,264	43.23%	7,285,973	35.12%
22,740,838	9,830,864	43.23%	8,190,667	36.01%
24,000,000	10,375,200	43.23%	8,802,645	36.67%
26,000,000	11,239,800	43.23%	9,714,024	37.36%
28,000,000	12,104,400	43.23%	10,627,317	37.95%
30,000,000	12,969,000	43.23%	11,572,859	38.57%
40,000,000	17,292,000	43.23%	16,120,482	40.30%
50,000,000	21,615,000	43.23%	20,710,053	41.42%
58,000,000	25,073,400	43.23%	24,386,126	42.04%
60,000,000	25,938,000	43.23%	25,290,000	42.15% [c]
70,000,000	26,802,600	43.23%	29,834,000	42.62% [c]
80,000,000	34,584,000	43.23%	34,344,000	42.93% [c]
90,000,000	38,907,000	43.23%	38,817,000	43.13% [c]
100,000,000	43,230,000	43.23%	43,260,000	43.26% [c]

See next page for footnotes

EXHIBIT B

FOOTNOTES

(a) Per the State Department of Community and Regional Affairs, the actual State-wide and Anchorage fully-funded State Revenue Sharing Entitlement for FY1980 are as follows:

	State Total	Anchorage	Anchorage Percentage
Total State Revenue Sharing	$27,021,915	$14,177,251	52.47%
Less Hospital Base-Then Funding:			
Hospital Contingency	$ 7,292,828	$ 5,902,695	80.94%
Other	1,572,000	425,000	27.04%
Total	$ 8,864,828	$ 6,327,695	71.38%
State Revenue Sharing for Other Than Hospital Base-Then	$18,157,087	$ 7,849,556	43.23%

(b) At the $18,157,087 funding level, Anchorage's percentage of the State total is 43.23% (see footnote "a" above). Under the current State Statutes, this percentage should remain the same at all funding levels.

(c) These percentages had to be estimated using an elementary form of trend analysis since Anchorage's per entitlements under HB192 were not available from the State for these funding levels.

Attachment 1

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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

M E M O R A N D U M

April 24, 1980

SUBJECT: CSHB 192 (Finance) amended

TO: Representative Terry Gardiner
ATTN: John Sund

FROM: John B. Chenoweth
Legislative Counsel

The insertion of "utilities" at page 2, line 20, was action specifically requested by the Finance Committee.

To narrow the amendment so that only contributions recieved from municipal utilities in lieu of property taxes (and not all utility revenues) are recognized as income, the following amendment is in order:

Page 2, line 20: Delete "utilities,"

Page 2, following line 24: Insert an additional paragraph to read:

"(E) payments received by a municipality from a utility which are in lieu of taxes levied and collected by the municipality."

JBC:jdn

1. Delete (on page 17) Sec 11, subsection (a)(3).

2. Add the following to Sec. 4 (on p. 14):

Sec. 29.90.030 Minimum Entitlement Adjustment

(a) A municipality may not receive a total amount of money under AS 29.88, AS 29.89.010 and AS 29.90.020 which is less in proportion to the total amount appropriated and allocated under those sections than ninety percent (90%) of the percentage of its population to the total population of the State as determined by the Department of Labor.

(b) If the total amount that would be received by a municipality under AS 29.88, AS 29.89.010 and AS 29.90.020 would be less than as required by this section, the municipality shall receive an additional entitlement in an amount sufficient to comply with this section. In the case of boroughs that include cities which are eligible to receive funds under AS 29.88, AS 29.89 or AS 29.90.020, the funds to be received by the borough shall be deemed to include any amounts to be received by cities within the borough for purposes of this section.

(c) Amounts received by municipalities under this section are subject to proration in the manner provided by AS 29.90.010.

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM March 21, 1980

TO: Representative Terry Gardiner

FROM: Jack Kreinheder, Issues Analyst JK

RE: HB 192 - Computer Runs Including MUSA Revenues
Research Request No. 64

You have requested that I make additional HB 192 computer runs which incorporate the Municipal Utilities Service Assessment (MUSA) revenues, and which include a $30 million total entitlement. The attached charts present five alternative runs, which are structured as follows:

1. Total entitlement = $18,740,838. MUSA revenue included; health and hospital excluded. (This run should be compared to the $18,740,838 run with MUSA revenues excluded, which was provided in my memorandum of February 25, to evaluate the MUSA impact. This entitlement reflects the original $27 million entitlement of last year, minus the current health and hospital entitlements.)

2. Total entitlement = $30 million. MUSA revenues included; health and hospital entitlements excluded.

3. Total entitlement = $30 million. MUSA revenues excluded; health and hospital entitlements excluded.

4. Total entitlement = $30 million. MUSA revenues included; health and hospital entitlement included.

5. Total entitlement = $30 million. MUSA revenues excluded; health and hospital entitlement included.

Three municipalities receive MUSA revenues: the Municipality of Anchorage, the City of Fairbanks, and the City of Seward. The effect of including the MUSA revenues on these municipalities' entitlements under HB 192 depends on: (1) the total entitlement; and (2) the inclusion of health and hospital entitlements, as well. In terms of dollars, Fairbanks

gains the most from MUSA inclusion, followed by Anchorage, then Seward. In terms of percentage increase in entitlements, Fairbanks and Seward receive similar increases from including MUSA revenues, while the Anchorage increase is considerably less. Although Anchorage collects the highest MUSA revenues of the three municipalities, its MUSA revenues comprise the smallest percentage of the total revenues eligible under HB 192; therefore, Anchorage receives the lowest percentage increase in its revenue sharing entitlement when MUSA revenues are included.

At a total entitlement of $30,000,000, without health and hospital funding, inclusion of the MUSA revenues increases the entitlements for the three municipalities by the following amounts:

1. Anchorage - $89,749 (0.8%)
2. Fairbanks - $111,615 (5.1%)
3. Seward - $ 8,634 (6.1%)

The MUSA impact is smaller if health and hospital funding is included and/or if the total entitlement is reduced. Table 1 displays this information.

We were not able to make computer runs including revenues from short-term investments, as was requested, because the revenue sharing questionnaires completed by the municipalities specifically stated that these revenues were not to be included as eligible revenues. Therefore, it would be necessary to contact each community again, which was not possible within the time frames of your request.

It is important to note that if short-term investment revenues were included as eligible revenues, the effect on the entitlement of each municipality would depend on the value of its investment revenues relative to the investment revenues of all other municipalities. For example, Anchorage would realize an entitlement increase only if its investment revenues comprise a larger percentage of its total eligible revenues than those of the average municipality in the state.

If you would like additional explanation of these latest computer runs, or if further research is necessary, please do not hesitate to contact me.

JK/dp

Attachment

TABLE 1

INCREASE IN HB 192 ENTITLEMENTS

RESULTING FROM INCLUSION OF MUSA* REVENUES

	$30 Million Total Entitlement Health & Hospital Excluded		$30 Million Total Entitlement Health & Hospital Included		$18,740,838 Total Entitlement Health & Hospital Excluded	
ANCHORAGE	$89,649	(0.8%)	$48,957	(0.4%)	$42,930	(0.7%)
FAIRBANKS	$111,615	(5.1%)	$63,160	(2.1%)	$56,559	(4.4%)
SEWARD	$8,634	(6.1%)	$4,883	(1.9%)	$4,377	(6.1%)

*Municipal Utilities Service Assessments.

PREPARED BY:
House Research Agency

HB 192

PERCENTAGE BREAKDOWN OF REVENUE SHARING ENTITLEMENTS INCLUDING MUSA REVENUES

LOCAL GOVT	INCLUDING MUSA-EXCLUDING HEALTH & HOSPITAL (TOTAL=$18,740,838) ENTITLEMENT	PERCENTAGE	INCLUDING MUSA-EXCLUDING HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE	EXCLUDING MUSA & HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE	INCLUDING MUSA & HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE	EXCLUDING MUSA-INCLUDING HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE
BOROUGHS AND SERVICE AREAS										
1 ANCHORAGE A.M.	$3,047,590	16.26%	$5,953,002	19.84%	$5,894,411	19.64%	$10,068,405	33.56%	$10,036,623	33.46%
2 CITY S.A.	$204,202	1.08%	$398,877	1.32%	$405,993	1.35%	$227,306	0.75%	$231,494	0.77%
3 EAGLE RIVER	$21,767	0.11%	$42,520	0.14%	$43,399	0.14%	$24,240	0.08%	$24,746	0.08%
4 GIRDWOOD	$4,624	0.02%	$9,032	0.03%	$9,219	0.03%	$5,149	0.01%	$5,256	0.01%
5 GIRDWOOD	$918	0.00%	$1,794	0.00%	$1,832	0.00%	$1,023	0.00%	$1,044	0.00%
6 GLEN ALPS	$62	0.00%	$122	0.00%	$124	0.00%	$69	0.00%	$71	0.00%
7 FIRE S.A.	$521,997	2.78%	$1,019,642	3.39%	$1,006,928	3.35%	$581,288	1.93%	$574,142	1.91%
8 ROADS & DRAINAGE	$1,405,044	7.49%	$1,828,694	6.09%	$1,817,596	6.05%	$1,459,1271	4.86%	$1,453,003	4.84%
9 POLICE S.A.	$730,718	3.94%	$1,444,927	4.81%	$1,429,240	4.76%	$823,733	2.74%	$814,941	2.71%
10 PARKS & R.C.	$209,273	1.11%	$408,783	1.36%	$404,405	1.34%	$233,043	0.77%	$230,588	0.76%
11 P & R/GIRDWOOD	$13,228	0.07%	$25,839	0.08%	$26,374	0.08%	$14,730	0.04%	$15,038	0.05%
12 SEWAGE S.A.	$50,552	0.26%	$98,745	0.32%	$96,632	0.32%	$56,203	0.18%	$55,033	0.18%
13 GIRDWOOD/SOLID WASTE	$1,650	0.00%	$3,223	0.01%	$3,289	0.01%	$1,837	0.00%	$1,875	0.00%
14 BUILDING SAFETY	$77,037	0.41%	$150,481	0.50%	$153,505	0.51%	$85,788	0.28%	$87,578	0.29%
15 SPECIAL ASSESSMENT	$118,475	0.63%	$187,172	0.62%	$190,076	0.63%	$126,834	0.42%	$128,510	0.42%
	$6,416,144	34.23%	$11,572,859	38.57%	$11,483,110	38.27%	$13,708,987	45.69%	$13,660,010	45.53%
16 BRISTOL BAY BOROUGH	$92,192	0.49%	$166,941	0.55%	$170,107	0.56%	$101,149	0.33%	$102,972	0.34%
17 SEWARD S.A.	$561	0.00%	$1,096	0.00%	$1,119	0.00%	$628	0.00%	$638	0.00%
	$92,753	0.49%	$168,038	0.56%	$171,227	0.57%	$101,776	0.33%	$103,610	0.34%
18 FAIRBANKS BOROUGH	$1,157,056	6.17%	$2,132,860	7.10%	$2,174,182	7.24%	$1,273,815	4.24%	$1,297,607	4.32%
19 DALLAIRE LAKE	$1,194	0.00%	$1,494	0.00%	$1,506	0.00%	$1,233	0.00%	$1,241	0.00%
20 BLUE	$4,426	0.02%	$4,808	0.01%	$4,905	0.01%	$4,763	0.01%	$4,708	0.01%
21 WILDERNESS ACRES	$24,817	0.13%	$24,562	0.08%	$24,566	0.08%	$24,499	0.08%	$24,504	0.08%
22 SALCHA BOROUGH	$10,439	0.05%	$13,107	0.04%	$13,301	0.04%	$10,775	0.03%	$10,862	0.03%
23 FAIRBANKS CREEK	$546	0.00%	$1,043	0.00%	$1,050	0.00%	$609	0.00%	$621	0.00%
24 ESTER FIRE	$5,020	0.03%	$5,050	0.01%	$5,050	0.01%	$5,047	0.01%	$5,048	0.01%
25 HARDING STATE T.P.	$14,001	0.07%	$27,579	0.09%	$28,094	0.09%	$15,001	0.05%	$16,019	0.05%
26 HOMER BORO	$19,105	0.10%	$19,520	0.06%	$19,541	0.06%	$19,226	0.06%	$19,236	0.06
27 UNIVERSITY T.P.	$33,705	0.17%	$65,838	0.21%	$67,000	0.22%	$37,513	0.12%	$38,317	0.13%
28 LAKELEY DIST	$9,412	0.05%	$10,169	0.03%	$10,387	0.03%	$9,610	0.03%	$9,645	0.03%
29 SPRUCE ACRES	$1,881	0.01%	$1,988	0.00%	$1,971	0.00%	$1,898	0.00%	$1,900	0.00%
	$1,282,403	6.84%	$2,309,699	7.69%	$2,361,209	7.86%	$1,405,625	4.68%	$1,430,671	4.76%
30 HAINES BOROUGH	$22,669	0.12%	$35,082	0.11%	$35,808	0.11%	$22,887	0.07%	$23,393	0.07%
31 KENAI BOROUGH A.M.	$776,838	4.14%	$1,516,517	5.05%	$1,547,803	5.15%	$1,051,076	3.50%	$1,070,050	3.56%
32 S.A. 1	$188,781	1.00%	$335,247	1.11%	$341,450	1.13%	$208,365	0.69%	$209,937	0.69%
33 S.A. 2	$22,798	0.12%	$33,178	0.11%	$33,571	0.11%	$24,075	0.08%	$24,322	0.08%
34 S.A. 3	$95,545	0.50%	$100,570	0.33%	$100,819	0.33%	$95,595	0.31%	$95,744	0.31%
35 S.A. 4	$4,314	0.02%	$8,564	0.02%	$8,741	0.02%	$4,382	0.01%	$4,384	0.01%
36 S.A. 5	$31,827	0.17%	$62,251	0.20%	$64,569	0.21%	$35,494	0.11%	$36,095	0.12%
37 S.A. 6	$1,000	0.00%	$3,243	0.01%	$3	0.01%	$1,840	0.00%	$1,887	0.00%
38 S.A. 7	$506	0.00%	$998	0.00%	$1	0.00%	$564	0.00%	$576	0.00%
39 S.A. 8	$477	0.00%	$933	0.00%	[illegible]	0.00%	$532	0.00%	$543	0.00%
	$1,144,409	5.98%	$2,054,449	6.87%	$2,101,[illegible]	7.00%	$1,424,304	4.74%	$1,444,286	4.81%

40	KENAI PENINSULA BOROUGH	$228,848	1.22%	$447,020	1.49%	$456,269	1.52%	$254,842	0.84%	$260,161	0.86%
41	CENTRAL HOSPITAL	$6,659	0.03%	$13,009	0.04%	$13,278	0.04%	$7,416	0.02%	$7,571	0.02%
42	SOUTH HOSPITAL	$12,044	0.06%	$23,527	0.07%	$24,013	0.08%	$88,277	0.29%	$88,538	0.29%
43	NIKISKI F.P.	$7,201	0.03%	$14,066	0.04%	$14,357	0.04%	$8,019	0.02%	$8,186	0.02%
44	NORTH KENAI REC.	$5,046	0.02%	$9,858	0.03%	$10,062	0.03%	$5,620	0.01%	$5,737	0.01%
45	BEAR CREEK F.P.	$5,216	0.02%	$10,190	0.03%	$10,401	0.03%	$5,809	0.01%	$5,930	0.01%
		$265,017	1.41%	$517,671	1.72%	$528,382	1.76%	$369,984	1.23%	$376,155	1.25%
46	KENIRKAN BOROUGH	$205,709	1.09%	$401,821	1.33%	$410,135	1.36%	$229,074	0.76%	$233,856	0.77%
47	SEWARD S.A.	$1,660	0.00%	$3,243	0.01%	$3,310	0.01%	$1,848	0.00%	$1,887	0.00%
		$207,369	1.10%	$405,064	1.35%	$413,445	1.37%	$230,923	0.76%	$235,743	0.78%
48	KODIAK ISLAND BOROUGH	$81,628	0.43%	$159,449	0.53%	$162,748	0.54%	$236,837	0.78%	$238,756	0.79%
49	FIRE DISTRICT 1	$4,277	0.02%	$8,356	0.02%	$8,529	0.02%	$4,763	0.01%	$4,863	0.01%
50	ROAD DISTRICT	$42,410	0.22%	$44,866	0.14%	$44,363	0.14%	$42,852	0.14%	$42,913	0.14%
		$128,316	0.68%	$212,671	0.70%	$216,240	0.72%	$284,453	0.94%	$286,533	0.95%
51	MAT SU BOROUGH	$705,553	3.76%	$949,789	3.16%	$960,063	3.20%	$736,339	2.45%	$742,303	2.47%
52	WASILLA F.P.	$3,378	0.01%	$6,599	0.02%	$6,736	0.02%	$3,762	0.01%	$3,840	0.01%
53	PALMER F.P.	$2,094	0.01%	$4,090	0.01%	$4,175	0.01%	$2,332	0.00%	$2,380	0.00%
54	GREATER PALMER F.P.	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
55	BUTTE F.P.	$1,651	0.00%	$3,225	0.01%	$3,292	0.01%	$1,839	0.00%	$1,877	0.00%
56	TALKEETNA F.P.	$8,750	0.04%	$17,093	0.05%	$17,447	0.05%	$9,744	0.03%	$9,948	0.03%
57	TALKEETNA FIRE S.A.	$943	0.00%	$1,842	0.00%	$1,880	0.00%	$1,050	0.00%	$1,072	0.00%
58	GARDEN TERRACE	$532	0.00%	$1,039	0.00%	$1,061	0.00%	$592	0.00%	$605	0.00%
		$722,903	3.85%	$983,681	3.27%	$994,657	3.31%	$755,661	2.51%	$762,028	2.54%
59	NORTH SLOPE BOROUGH	$202,255	1.07%	$296,138	0.98%	$300,736	1.00%	$237,974	0.79%	$240,633	0.80%
60	SITKA BOROUGH	$233,203	1.24%	$346,633	1.15%	$352,953	1.17%	$318,752	1.06%	$318,801	1.06%
	FIRST CLASS CITIES										
61	BARROW	$43,249	0.23%	$84,481	0.28%	$86,229	0.28%	$48,161	0.16%	$49,167	0.16%
62	CORDOVA	$131,879	0.70%	$235,127	0.78%	$239,493	0.79%	$244,139	0.81%	$246,672	0.82%
63	CRAIG	$37,288	0.19%	$62,121	0.20%	$63,175	0.21%	$44,228	0.14%	$44,836	0.14%
64	DILLINGHAM	$66,974	0.35%	$110,575	0.36%	$112,420	0.37%	$72,248	0.24%	$73,312	0.24%
65	FAIRBANKS	$1,291,217	6.88%	$2,287,083	7.62%	$2,175,648	7.25%	$3,010,053	10.03%	$2,946,893	9.82%
66	GALENA	$33,705	0.17%	$33,880	0.11%	$33,801	0.11%	$37,867	0.12%	$37,873	0.12%
67	HAINES	$70,367	0.37%	$111,020	0.37%	$112,730	0.37%	$75,315	0.25%	$76,306	0.25%
68	HOMER	$69,145	0.36%	$107,875	0.35%	$109,518	0.36%	$82,325	0.27%	$83,274	0.27%
69	HOONAH	$32,470	0.17%	$51,649	0.17%	$52,406	0.17%	$42,636	0.14%	$43,125	0.14%
70	HOOPER BAY	$22,253	0.11%	$21,456	0.07%	$23,458	0.07%	$21,281	0.07%	$23,286	0.07%
71	KAKE	$21,285	0.12%	$33,506	0.11%	$34,005	0.11%	$20,780	0.07%	$23,794	0.07%
72	KENAI	$296,837	1.57%	$462,677	1.54%	$469,771	1.56%	$315,280	1.05%	$319,375	1.06%
73	KETCHIKAN	$372,435	1.98%	$688,401	2.29%	$701,789	2.34%	$522,033	1.74%	$529,754	1.76%
74	KING COVE	$26,576	0.14%	$31,360	0.10%	$31,988	0.10%	$28,112	0.09%	$28,119	0.09%
75	KODIAK	$21,602	0.11%	$23,126	0.07%	$23,128	0.07%	$22,808	0.07%	$22,813	0.07%
76	KOTZEBUE	$163,251	0.87%	$278,701	0.92%	$280,654	0.94%	$175,791	0.58%	$178,644	0.59%
77	NENANA	$58,411	0.31%	$79,563	0.26%	$80,453	0.26%	$61,067	0.20%	$61,584	0.20%
78	NOME	$170,075	0.91%	$307,877	1.02%	$313,457	1.04%	$308,734	1.02%	$311,966	1.03%
79	NORTH POLE	$45,459	0.24%	$59,764	0.19%	$60,365	0.20%	$47,278	0.15%	$47,627	0.15%
80	PALMER	$113,942	0.60%	$175,365	0.58%	$177,856	0.59%	$199,107	0.66%	$200,615	0.66%
81	PELICAN	$24,078	0.12%	$26,719	0.08%	$24,721	0.08%	$24,315	0.08%	$24,321	0.08%
82	PETERSBURG	$149,758	0.79%	$270,100	0.90%	$275,198	0.91%	$250,142	0.83%	$253,000	0.84%
83	SAND POINT	$41,199	0.21%	$56,689	0.18%	$57,362	0.19%	$48,179	0.16%	$48,558	0.16%
84	SAINT MARY'S	$46,666	0.24%	$52,101	0.17%	$52,674	0.17%	$52,058	0.17%	$52,792	0.17%
85	SELDOVIA	$32,146	0.17%	$46,388	0.15%	$46,989	0.15%	$38,200	0.12%	$38,548	0.12%
86	SEWARD	$100,972	0.53%	$150,789	0.50%	$142,155	0.47%	$260,588	0.86%	$255,655	0.85%
87	SKAGWAY	$36,771	0.24%	$67,309	0.22%	$68,175	0.22%	$53,605	0.17%	$54,107	0.18%
88	VALDEZ	$161,875	0.86%	$250,677	0.83%	$256,430	0.86%	$172,713	0.57%	$174,380	0.58%
89	WRANGELL	$120,211	0.64%	$229,971	0.76%			$195,670	0.65%	$196,989	0.65%

90 VALDEZ	$136,[illegible]	0.72%	$137,052	0.45%	$137,060	0.45%	$214,544	0.71%	$214,576	0.71%
91 ZONE I	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
92 ZONE II	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
	$136,306	0.72%	$137,052	0.45%	$137,060	0.45%	$214,544	0.71%	$214,576	0.71%
93 WRANGELL	$152,016	0.81%	$279,738	0.93%	$285,150	0.95%	$240,116	0.83%	$252,242	0.84%
94 ZONE II	$16,131	0.08%	$31,510	0.10%	$32,162	0.10%	$17,963	0.05%	$18,338	0.06%
96 ZONE IV	$57,947	0.30%	$113,192	0.37%	$115,534	0.38%	$64,529	0.21%	$65,876	0.21%
	$226,095	1.20%	$424,441	1.41%	$432,846	1.44%	$331,609	1.10%	$336,456	1.12%
97 YAKUTAT	$23,980	0.12%	$25,460	0.08%	$25,803	0.08%	$25,075	0.08%	$25,080	0.08%
SECOND CLASS CITIES										
98 AKIOK	$24,261	0.12%	$25,415	0.08%	$25,417	0.08%	$24,762	0.08%	$24,768	0.08%
99 AKIACHAK	$31,017	0.16%	$31,721	0.10%	$31,723	0.10%	$32,262	0.10%	$32,267	0.10%
100 AKIAK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
101 AKUNIUT	$86,724	0.46%	$87,199	0.29%	$87,204	0.29%	$97,486	0.32%	$97,501	0.32%
102 ALAKANUK	$30,523	0.16%	$31,431	0.10%	$31,433	0.10%	$31,609	0.10%	$31,615	0.10%
103 ALEKNAGIK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
104 ALLAKAKET	$29,526	0.15%	$31,233	0.10%	$31,235	0.10%	$30,938	0.10%	$30,944	0.10%
105 ANDER	$30,805	0.16%	$31,985	0.10%	$31,988	0.10%	$32,016	0.10%	$32,022	0.10%
106 ANAKTUVUK PASS	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
107 ANDERSON	$30,693	0.16%	$31,920	0.10%	$31,922	0.10%	$31,237	0.10%	$31,243	0.10%
108 ANGOON	$23,879	0.12%	$24,802	0.08%	$24,803	0.08%	$24,821	0.08%	$24,826	0.08%
109 ANIAK	$37,283	0.20%	$38,091	0.12%	$38,093	0.12%	$43,390	0.14%	$43,397	0.14%
110 ANVIK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
111 ATMAUTLUAK	$31,806	0.16%	$32,186	0.10%	$32,188	0.10%	$34,387	0.11%	$34,393	0.11%
112 BETHEL	$222,540	1.18%	$315,265	1.05%	$319,173	1.06%	$302,834	1.00%	$305,107	1.01%
113 BREVIG MISSION	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
114 BUCKLAND	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%
115 CHEFORNAK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
116 CHEVAK	$27,612	0.14%	$29,719	0.09%	$29,721	0.09%	$29,155	0.09%	$29,162	0.09%
117 CHIGNIK LK	$30,490	0.16%	$31,800	0.10%	$31,802	0.10%	$31,751	0.10%	$31,757	0.10%
118 CLARK'S POINT	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
119 DELTA JUNCTION	$27,957	0.14%	$28,367	0.09%	$28,368	0.09%	$29,243	0.09%	$29,247	0.09%
120 DIOMEDE	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$28,112	0.09%	$28,119	0.09%
121 EAGLE	$25,238	0.13%	$26,787	0.08%	$26,789	0.08%	$25,887	0.08%	$25,893	0.08%
122 EEK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
123 EKWOK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
124 ELIM	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
125 EMMONAK	$29,048	0.15%	$30,563	0.10%	$30,565	0.10%	$30,365	0.10%	$30,372	0.10%
126 FORT YUKON	$51,110	0.27%	$51,380	0.17%	$51,382	0.17%	$56,674	0.18%	$56,683	0.18%
127 FORTUNA LEDGE	$29,709	0.15%	$30,957	0.10%	$30,954	0.10%	$30,923	0.10%	$30,929	0.10%
128 GAMBELL	$30,819	0.16%	$31,605	0.10%	$31,607	0.10%	$31,193	0.10%	$31,199	0.10%
129 GRAYLING	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
130 GOODNEWS BAY	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
131 GRAYLING	$29,779	0.15%	$31,382	0.10%	$31,384	0.10%	$30,467	0.10%	$30,473	0.10%
132 HOLY CROSS	$30,185	0.16%	$31,621	0.10%	$31,623	0.10%	$31,494	0.10%	$31,500	0.10%
133 HOOPER BAY	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
134 HUGHES	$65,162	0.35%	$66,220	0.22%	$66,226	0.22%	$66,151	0.22%	$66,161	0.22%
135 HUSLIA	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
136 HUSLIA	$59,052	0.31%	$59,375	0.19%	$59,379	0.19%	$64,651	0.21%	$64,661	0.21%
137 KAGERMAK	$22,629	0.12%	$24,455	0.08%	$24,457	0.08%	$23,387	0.07%	$23,393	0.07%
138 KAKTOVIK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
139 KALTAG	$29,170	0.15%	$31,024	0.10%	$31,026	0.10%	$29,953	0.09%	$29,960	0.09%
140 KASAAN	$21,090	0.11%	$22,743	0.07%	$22,750	0.07%	$22,267	0.07%	$22,272	0.07%
141 KIANA	$29,688	0.15%	$31,328	0.10%	$31,331	0.10%	$31,074	0.10%	$31,081	0.10%
142 KIVALINA	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,789	0.09%	$29,789	0.09%
143 KOBUK	$30,185	0.16%	$31,621	0.10%	$31,623	0.10%	$31,494	0.10%	$31,500	0.10%
144 KOLIGIK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
145 KOTZEBUE	$116,628	0.62%	$174,314	0.57%	$174,664	0.58%	$121,481	0.41%	$124,1[illegible]0	0.41%
146 KOYUK	$27,657	.14%	$29,745	0.09%	$29,747	0.09%	$29,192	0.09%	$29,199	0.09%
147 KOYUKUK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%

149	KWETHLUK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
150	LARSEN BAY	$22,629	0.12%	$24,455	0.08%	$24,457	0.08%	$23,387	0.07%	$23,393	0.07%
151	LOWER KALSKAG	$88,395	0.47%	$88,879	0.29%	$88,884	0.29%	$94,123	0.31%	$94,138	0.31%
152	MANOKOTAK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$28,112	0.09%	$28,119	0.09%
153	MCGRATH	$32,109	0.17%	$32,753	0.10%	$32,755	0.10%	$33,116	0.11%	$33,121	0.11%
154	MEKORYUK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
155	MOUNTAIN VILLAGE	$46,188	0.24%	$46,441	0.15%	$46,444	0.15%	$51,581	0.17%	$51,589	0.17%
156	NAPAKIAK	$28,589	0.15%	$30,293	0.10%	$30,295	0.10%	$29,079	0.09%	$29,085	0.09%
157	NAPASKIAK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$29,075	0.09%	$29,082	0.09%
158	NEWHALEN	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,471	0.09%
159	NEW STUYAHOK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$28,112	0.09%	$28,119	0.09%
160	NEWTOK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
161	NIGHTMUTE	$27,850	0.14%	$29,864	0.09%	$29,866	0.09%	$28,607	0.09%	$28,705	0.09%
162	NIKOLAI	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
163	NINILCHIK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
164	NOATAK	$29,272	0.15%	$31,084	0.10%	$31,086	0.10%	$30,039	0.10%	$30,046	0.10%
165	NUIQSUT	$30,206	0.16%	$31,651	0.10%	$31,653	0.10%	$31,537	0.10%	$31,543	0.10%
166	NUNAPITCHUK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
167	OLD HARBOR	$24,445	0.13%	$25,523	0.08%	$25,525	0.08%	$24,917	0.08%	$24,922	0.08%
168	OUZINKIE	$22,915	0.12%	$24,623	0.08%	$24,625	0.08%	$23,627	0.07%	$23,633	0.07%
169	PILOT STATION	$28,352	0.15%	$30,154	0.10%	$30,156	0.10%	$29,113	0.09%	$29,120	0.09%
170	PLATINUM	$41,666	0.22%	$41,894	0.13%	$41,897	0.13%	$41,849	0.13%	$41,855	0.13%
171	POINT HOPE	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
172	PORT ALEXANDER	$21,840	0.11%	$23,602	0.07%	$23,604	0.07%	$22,571	0.07%	$22,577	0.07%
173	PORT HEIDEN	$83,430	0.44%	$83,805	0.27%	$83,808	0.27%	$88,846	0.29%	$88,859	0.29%
174	PORT LIONS	$23,625	0.12%	$25,041	0.08%	$25,042	0.08%	$24,226	0.08%	$24,231	0.08%
175	QUINHAGAK	$27,982	0.14%	$29,936	0.09%	$29,939	0.09%	$29,467	0.09%	$29,474	0.09%
176	RUBY	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
177	RUSSIAN MISSION	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
178	SAINT MICHAEL	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
179	SAINT PAUL	$117,630	0.62%	$118,274	0.39%	$118,281	0.39%	$118,146	0.39%	$118,164	0.39%
180	SAVOONGA	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
181	SAPMAN	$22,151	0.11%	$23,305	0.07%	$23,308	0.07%	$22,683	0.07%	$22,688	0.07%
182	SCAMMON BAY	$27,982	0.14%	$29,936	0.09%	$29,939	0.09%	$29,467	0.09%	$29,474	0.09%
183	SELAWIK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
184	SHAGELUK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
185	SHAKTOOLIK	$46,188	0.24%	$46,441	0.15%	$46,444	0.15%	$51,581	0.17%	$51,589	0.17%
186	SHELDON POINT	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
187	SHISHMAREF	$28,342	0.15%	$30,148	0.10%	$30,150	0.10%	$29,771	0.09%	$29,777	0.09%
188	SHUNGNAK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%
189	STEBBINS	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
190	TANANA	$36,720	0.19%	$36,921	0.12%	$36,923	0.12%	$36,881	0.12%	$36,887	0.12%
191	TELLER	$28,693	0.15%	$30,354	0.10%	$30,356	0.10%	$30,066	0.10%	$30,072	0.10%
192	TENAKEE SPRINGS	$22,253	0.11%	$23,8	0.07%	$23,835	0.07%	$22,903	0.07%	$22,908	0.07%
193	TOGIAK	$28,972	0.15%	$30,130	0.10%	$30,132	0.10%	$29,485	0.09%	$29,491	0.09%
194	TOKSOOK BAY	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
195	TUNUNAK	$44,573	0.23%	$44,817	0.14%	$44,820	0.14%	$49,959	0.16%	$49,967	0.16%
196	TUTTHAM	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
197	UMKUMIUTE	$31,914	0.17%	$32,250	0.10%	$32,252	0.10%	$35,101	0.11%	$35,107	0.11%
198	UPPER KALSKAG	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
199	WAINWRIGHT	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
200	WALES	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
201	WASILLA	$113,731	0.60%	$114,353	0.38%	$114,360	0.38%	$114,230	0.38%	$114,247	0.38%
202	WHITE MOUNTAIN	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
203	WHITTIER	$30,001	0.16%	$30,165	0.10%	$30,167	0.10%	$34,724	0.11%	$34,730	0.11%
204	DEERING	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%
205	EXT FIRE AREAS	$21,050	0.11%	$22,749	0.07%	$22,750	0.07%	$69,320	0.23%	$69,331	0.23%
		$18,740,838		$30,000,000		$30,000,000		$30,000,000		$30,000,000	

Supplied by T. Gardiner

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM March 27, 1980

TO: Representative Terry Gardiner

FROM: Jack Kreinheder JK
Issues Analyst

RE: HB 192 Computer Runs at Total Entitlements of $24, $26 and $28 Million (Research Request No. 64)

The attached chart provides percentage breakdowns by local government of revenue sharing entitlements at various total entitlement levels, and is organized as follows:

1) FY 1979 revenue sharing entitlements (actual total entitlement = $13.8 million)

2) FY 1980 entitlements (actual total entitlement = $12 million)

3) HB 192 entitlements (proposed total entitlement = $24 million)

4) HB 192 entitlements (proposed total entitlement = $26 million)

5) HB 192 entitlements (proposed total entitlement = $28 million)

All five of these revenue sharing computer runs exclude hospital construction, hospital and health facility operational entitlements, and per capita health power entitlements. The three HB 192 computer runs include Municipal Utilities Service Assessment in-lieu of tax revenues for the municipalities which collect them: Anchorage, Fairbanks, Ketchikan and Seward.

The decrease in the revenue sharing entitlement, excluding hospital and health funding, of about $1.8 million from FY 1979 to FY 1980 reflects the fact that although the total entitlement increased by about $1.5 million in 1980, hospital and health entitlements increased from $4.7 million to over $8 million, thus reducing the remaining entitlements. As you know, most of this increase in hospital and health entitlements is attributable to hospital construction funding, which increased from 13 percent of the total revenue sharing entitlement in FY 1979 to 28 percent in 1980.

Please let us know if we may be of further assistance.

JK/dp

PREPARED BY:
House Research Agency

March 27, 1980

HB 192

Note: All entitlements exclude Hospital & Health entitlements and include MUSA revenues.

PERCENTAGE BREAKDOWN OF REVENUE SHARING ENTITLEMENTS

LOCAL GOV'T	FY 1979 ENTITLEMENT		FY 1980 ENTITLEMENT		HB 192 ENTITLEMENT (TOTAL=$24,000,000)		HB 192 ENTITLEMENT (TOTAL=$26,000,000)		HB 192 ENTITLEMENT (TOTAL=$28,000,000)	
	ENTITLEMENT	PERCENTAGE	ENTITLEMENT	PERCENTAGE	ENTITLEMENT	PERCENTAGE	ENTITLEMENT	PERCENTAGE	ENTITLEMENT	PERCENTAGE
BOROUGHS AND SERVICE AREAS										
1 ANCHORAGE A.W.	$2,062,933	10.76%	$1,[illegible],015	11.05%	$4,331,149	18.29%	$4,904,953	18.86%	$5,419,871	19.35%
2 CITY S.A.	$272,755	1.46%	$239,940	1.93%	$294,226	1.22%	$338,653	1.30%	$383,155	1.42%
3 EAGLE RIVER	$52,991	0.28%	$42,408	0.35%	$31,364	0.13%	$35,034	0.13%	$38,712	0.13%
4 GIRDWOOD	$43,358	0.20%	$27,316	0.22%	$6,562	0.02%	$7,442	0.02%	$8,623	0.02%
5 GIRDWOOD	$6,779	0.03%	$4,575	0.03%	$1,324	0.00%	$1,478	0.00%	$1,634	0.00%
6 GLEN ALPS	$0	0.00%	$0	0.00%	$90	0.00%	$100	0.00%	$111	0.00%
7 FIRE S.A.	$1,[illegible],988	6.06%	$958,825	7.90%	$752,125	3.14%	$840,130	3.23%	$928,[illegible]	3.31%
8 ROADS & DRAINAGE	$[illegible]20,321	2.79%	$438,495	3.65%	$1,602,732	6.67%	$1,677,123	6.45%	$1,751,617	6.25%
9 POLICE S.A.	$1,[illegible]61,039	8.39%	$1,588,798	13.09%	$1,065,830	4.44%	$1,190,542	4.57%	$1,315,524	4.69%
10 PARKS & REC.	$754,658	4.05%	$657,089	5.47%	$301,533	1.25%	$336,815	1.29%	$372,173	1.32%
11 P & R/GIRDWOOD	$64,562	0.34%	$46,802	0.39%	$10,060	0.07%	$21,290	0.08%	$23,[illegible]	0.08%
12 SOLID WASTE S.A.	$0	0.00%	$0	0.00%	$72,838	0.30%	$81,361	0.31%	$89,[illegible]02	0.32%
13 GIRDWOOD SOLID WASTE	$0	0.00%	$0	0.00%	$2,377	0.00%	$2,655	0.01%	$2,934	0.01%
14 BUILDING SAFETY	$0	0.00%	$0	0.00%	$111,000	0.46%	$123,988	0.47%	$[illegible]37,005	0.48%
15 SPECIAL ASSESSMENT	$0	0.00%	$21,187	0.17%	$150,[illegible]59	0.62%	$162,452	0.62%	$174,[illegible]98	0.62%
	$6,410,788	34.47%	$5,[illegible]52,054	44.60%	$8,802,845	36.67%	$9,714,024	37.36%	$10,627,317	37.95%
16 DENSIDE BAY BOROUGH	$27,515	0.14%	$48,670	0.40%	$126,734	0.52%	$139,995	0.53%	$153,274	0.54%
17 SOUTH NAKNEK S.A.	$0	0.00%	$0	0.00%	$809	0.00%	$903	0.00%	$998	0.00%
	$27,515	0.14%	$48,670	0.40%	$127,593	0.52%	$140,899	0.54%	$154,233	0.55%
18 FAIRBANKS BOROUGH	$956,404	5.14%	$816,434	6.80%	$1,608,538	6.70%	$1,731,026	6.65%	$1,[illegible]50,880	6.97%
19 HALIBURTON LAKE	$[illegible]66	0.00%	$[illegible]01	0.00%	$1,334	0.00%	$1,[illegible]87	0.00%	$1,[illegible]39	0.00%
20 DIANE	$2,464	0.01%	$2,034	0.01%	$4,814	0.02%	$5,342	0.01%	$5,870	0.01%
21 WHITEFISH ACRES	$4,308	0.02%	$[illegible]1,048	0.09%	$24,513	0.10%	$24,531	0.09%	$24,547	0.08%
22 SMITH RANCH	$4,052	0.02%	$3,449	0.03%	$11,726	0.04%	$12,205	0.04%	$12,[illegible]83	0.04%
23 ENGINEER CREEK	$4,885	0.02%	$0	0.00%	$788	0.00%	$880	0.00%	$972	0.00%
24 ESTER DOME	$[illegible]3,185	0.01%	$[illegible],[illegible]84	0.02%	$5,040	0.02%	$5,[illegible]51	0.02%	$5,[illegible]55	0.02%
25 NORTH STAR T.P.	$50,007	0.26%	$[illegible]4,143	0.35%	$20,301	0.08%	$22,[illegible]79	0.08%	$25,[illegible]30	0.08%
26 REINDEER RIDGE	$10,109	0.05%	$[illegible]1,[illegible]19	0.07%	$19,[illegible]14	0.08%	$19,[illegible]99	0.07%	$19,[illegible]62	0.07%
27 UNIVERSITY T.P.	$[illegible]55,[illegible]16	0.29%	$[illegible]46,[illegible]13	0.38%	$48,564	0.20%	$54,247	0.20%	$59,[illegible]61	0.21%
28 FAIRBANKS HILL	$4,[illegible]82	0.02%	$3,[illegible]17	0.03%	$10,082	0.04%	$10,[illegible]28	0.03%	$10,[illegible]74	0.03%
29 SPRUCE ACRES	$[illegible]39	0.00%	$[illegible]16	0.00%	$1,924	0.00%	$1,[illegible]39	0.00%	$1,953	0.00%
	$1,[illegible]09,911	5.80%	$[illegible]17,[illegible]14	7.81%	$1,757,873	7.32%	$1,[illegible]80,420	7.45%	$2,[illegible]21,[illegible]62	7.57%
30 HAINES BOROUGH	$[illegible]0,611	0.01%	$[illegible]2,200	0.01%	$25,[illegible]78	0.10%	$28,[illegible]00	0.11%	$31,[illegible]60	0.11%
31 JUNEAU BOROUGH A.W.	$[illegible]14,169	1.68%	$[illegible]242,[illegible]62	2.01%	$1,[illegible]18,[illegible]68	4.66%	$1,[illegible]40,[illegible]91	4.80%	$1,[illegible]60,[illegible]03	4.93%
32 S.A. 1	$[illegible]48,[illegible]11	0.79%	$[illegible]1[illegible],[illegible]08	1.03%	$[illegible]06,[illegible]78	1.00%	$[illegible]39,[illegible]60	1.00%	$[illegible]72,[illegible]06	1.10%
33 S.A. 2	$[illegible]5,[illegible]18	0.18%	$[illegible]2[illegible],[illegible]01	0.26%	$27,600	0.11%	$[illegible]0,[illegible]52	0.11%	$[illegible]1,[illegible]06	0.11%
34 S.A. 3	$[illegible]1,[illegible]23	0.21%	$[illegible]40,[illegible]56	0.31%	$[illegible]97,[illegible]99	0.40%	$[illegible]88,[illegible]17	0.37%	$[illegible]79,[illegible]33	0.35%
35 S.A. 4	$[illegible]0,[illegible]17	0.09%	$[illegible]8,[illegible]20	0.01%	$[illegible]6,[illegible]17	0.02%	$[illegible]7,[illegible]56	0.02%	$[illegible]7,[illegible]97	0.02%
36 S.A. 5	$[illegible]04,[illegible]78	0.56%	$[illegible]50,[illegible]61	0.40%	$45,[illegible]26	0.19%	$[illegible]51,[illegible]00	0.19%	$[illegible]56,[illegible]46	0.20%
37 S.A. 6	$[illegible]4,[illegible]01	0.08%	$[illegible]4,[illegible]18	0.03%	$2,[illegible]02	0.00%	$2,[illegible]42	0.01%	$2,[illegible]82	0.01%
38 S.A. 7	$[illegible]2,[illegible]69	0.01%	$[illegible]3,[illegible]47	0.02%	$[illegible]30	0.00%	$[illegible]45	0.00%	$[illegible]91	0.00%
39 S.A. 8	$[illegible]1,[illegible]56	0.01%	$[illegible]1,[illegible]30	0.01%	$[illegible]81	0.00%	$[illegible]72	0.00%	$[illegible]63	0.00%
	$[illegible]43,[illegible]04	1.36%	$[illegible]6[illegible],[illegible]00	2.28%	$1,[illegible]56,[illegible]71	6.48%	$1,722,542	6.62%	$1,[illegible]89,[illegible]13	6.74%

40	KENAI PENINSULA BOROUGH	$96,967	0.52%	$41,224	0.34%	$329,738	1.37%	$368,321	1.41%	$406,987	1.45%
41	CENTRAL HOSPITAL	$0	0.00%	$0	0.00%	$9,505	0.03%	$10,715	0.04%	$11,844	0.04%
42	SOUTH HOSPITAL	$0	0.00%	$0	0.00%	$17,354	0.07%	$19,385	0.07%	$21,420	0.07%
43	NIKISKI F.P.	$25,092	0.13%	$21,273	0.17%	$10,375	0.04%	$11,500	0.04%	$12,805	0.04%
44	NORTH KENAI REC.	$18,219	0.09%	$15,442	0.12%	$7,271	0.03%	$8,122	0.03%	$8,975	0.03%
45	BEAR CREEK F.P.	$4,940	0.02%	$4,000	0.03%	$7,516	0.03%	$8,336	0.03%	$9,277	0.03%
		$145,219	0.78%	$81,940	0.68%	$381,853	1.59%	$426,533	1.64%	$471,311	1.68%
46	KETCHIKAN BOROUGH	$81,615	0.43%	$70,843	0.59%	$295,398	1.23%	$331,079	1.27%	$366,836	1.30%
47	SHORELINE S.A.	$4,569	0.02%	$3,963	0.03%	$2,392	0.00%	$2,672	0.01%	$2,952	0.01%
		$86,185	0.46%	$74,806	0.62%	$298,790	1.24%	$333,751	1.28%	$368,788	1.31%
48	KODIAK ISLAND BOROUGH	$44,621	0.23%	$23,747	0.19%	$117,615	0.49%	$131,377	0.50%	$145,169	0.51%
49	FIRE DISTRICT 7	$13,326	0.07%	$10,661	0.08%	$6,163	0.02%	$6,885	0.02%	$7,607	0.02%
50	ROAD DISTRICT	$21,575	0.11%	$18,182	0.15%	$43,619	0.18%	$44,032	0.16%	$44,443	0.15%
		$79,522	0.42%	$52,591	0.43%	$167,399	0.69%	$182,294	0.70%	$197,220	0.70%
51	MAT-SU BOROUGH	$119,309	0.64%	$345,104	2.87%	$819,327	3.41%	$862,272	3.31%	$905,231	3.20%
52	WASILLA F.P.	$25,119	0.13%	$22,089	0.18%	$4,868	0.02%	$5,407	0.02%	$5,908	0.02%
53	BUTTE F.P.	$14,728	0.07%	$14,658	0.12%	$3,017	0.01%	$3,370	0.01%	$3,724	0.01%
54	GREATER PALMER F.P.	$21,009	0.11%	$20,911	0.17%	$0	0.00%	$0	0.00%	$0	0.00%
55	SUTTON F.P.	$4,810	0.02%	$4,784	0.03%	$2,379	0.00%	$2,657	0.01%	$2,936	0.01%
56	NON AREA-WIDE	$0	0.00%	$0	0.00%	$12,608	0.05%	$14,084	0.05%	$15,562	0.05%
57	TALKEETNA FLOOD S.A.	$0	0.00%	$0	0.00%	$1,359	0.00%	$1,518	0.00%	$1,677	0.00%
58	GARDEN TERRACE	$0	0.00%	$0	0.00%	$767	0.00%	$856	0.00%	$946	0.00%
		$184,977	0.99%	$408,149	3.40%	$844,327	3.51%	$890,197	3.42%	$936,138	3.34%
59	NORTH SLOPE BOROUGH	$238,976	1.25%	$203,503	1.69%	$237,796	0.99%	$256,993	0.98%	$276,227	0.98%
60	SITKA BOROUGH	$293,811	1.58%	$234,640	1.96%	$266,562	1.11%	$292,908	1.12%	$319,308	1.14%
	FIRST CLASS CITIES										
61	BARROW	$40,489	0.21%	$34,122	0.28%	$62,316	0.25%	$69,608	0.26%	$76,915	0.27%
62	CORDOVA	$113,238	0.60%	$91,271	0.76%	$179,668	0.74%	$197,914	0.76%	$216,197	0.77%
63	CRAIG	$23,254	0.12%	$19,356	0.16%	$48,760	0.20%	$53,156	0.20%	$57,561	0.20%
64	DILLINGHAM	$57,726	0.31%	$62,407	0.52%	$87,176	0.36%	$94,875	0.36%	$102,589	0.36%
65	FAIRBANKS	$902,298	4.85%	$709,841	5.91%	$1,752,195	7.30%	$1,928,152	7.41%	$2,104,516	7.51%
66	GALENA	$37,115	0.19%	$33,914	0.28%	$33,859	0.14%	$33,865	0.13%	$33,878	0.12%
67	HAINES	$58,806	0.31%	$49,634	0.41%	$80,218	0.33%	$90,402	0.34%	$100,580	0.36%
68	HOMER	$74,485	0.40%	$69,574	0.57%	$87,031	0.36%	$93,680	0.36%	$100,761	0.35%
69	HOONAH	$38,708	0.20%	$32,671	0.27%	$40,905	0.17%	$44,440	0.17%	$47,982	0.17%
70	HYDABURG	$9,767	0.05%	$8,234	0.06%	$22,908	0.09%	$24,577	0.09%	$26,249	0.08%
71	KAKE	$18,058	0.09%	$18,067	0.15%	$27,267	0.11%	$29,852	0.11%	$31,436	0.11%
72	KENAI	$224,363	1.20%	$196,757	1.62%	$372,672	1.55%	$402,169	1.54%	$431,664	1.54%
73	KETCHIKAN	$255,237	1.37%	$208,143	1.72%	$569,571	2.37%	$631,835	2.42%	$694,111	2.47%
74	KING COVE	$20,078	0.10%	$21,013	0.18%	$27,889	0.11%	$28,213	0.10%	$28,543	0.10%
75	KLAWOCK	$10,472	0.05%	$10,560	0.08%	$20,574	0.09%	$22,739	0.08%	$24,892	0.08%
76	KODIAK	$194,916	1.04%	$156,351	1.30%	$215,380	0.89%	$236,549	0.90%	$257,720	0.91%
77	NENANA	$25,923	0.13%	$28,578	0.23%	$68,299	0.28%	$71,900	0.27%	$75,508	0.27%
78	NOME	$112,684	0.60%	$111,961	0.93%	$237,095	0.98%	$270,892	1.00%	$303,718	1.01%
79	NORTH POLE	$26,862	0.14%	$20,197	0.16%	$52,131	0.21%	$54,644	0.21%	$57,160	0.20%
80	PALMER	$91,149	0.49%	$65,141	0.54%	$142,302	0.59%	$151,889	0.58%	$161,047	0.58%
81	PELICAN	$5,201	0.03%	$4,316	0.04%	$24,085	0.10%	$24,111	0.09%	$24,562	0.09%
82	PETERSBURG	$117,595	0.63%	$104,288	0.87%	$205,457	0.85%	$226,721	0.87%	$248,014	0.88%
83	SAND POINT	$31,087	0.17%	$27,151	0.23%	$48,408	0.20%	$51,136	0.19%	$53,864	0.19%
84	SAINT MARYS	$23,819	0.13%	$23,119	0.19%	$49,255	0.20%	$50,194	0.19%	$51,133	0.18%
85	SELDOVIA	$26,636	0.14%	$20,361	0.17%	$38,704	0.16%	$41,271	0.15%	$43,837	0.15%
86	SEWARD	$0	0.00%	$54,602	0.45%	$136,099	0.56%	$138,220	0.51%	$141,341	0.50%
87	SKAGWAY	$40,196	0.21%	$31,140	0.26%	$56,315	0.23%	$59,911	0.22%	$63,508	0.22%
88	SOLDOTNA	$103,651	0.56%	$91,562	0.76%	$201,057	0.84%	$202,731	0.75%	$204,400	0.73%
89	UNALASKA	$85,811	0.46%	$70,451	0.59%	$201,299	0.83%	$215,236	0.80%	$229,180	0.82%

90 VALDEZ	$186,963	1.00%	$137,150	1.14%	$136,901	0.57%	$136,959	0.52%	$137,008	0.48%
91 ZONE I	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
92 ZONE II	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
	$186,963	1.00%	$137,150	1.14%	$136,901	0.57%	$136,959	0.52%	$137,008	0.48%
93 WRANGELL	$119,011	0.64%	$95,108	0.79%	$211,112	0.87%	$233,689	0.89%	$256,314	0.91%
94 ZONE II	$0	0.00%	$0	0.00%	$23,243	0.09%	$25,962	0.09%	$28,688	0.10%
95 ZONE IV	$0	0.00%	$0	0.00%	$83,494	0.34%	$93,264	0.35%	$103,055	0.36%
	$119,011	0.64%	$95,108	0.79%	$317,850	1.32%	$352,916	1.35%	$388,058	1.38%
97 YAKUTAT	$13,873	0.07%	$11,691	0.09%	$24,766	0.10%	$24,954	0.09%	$25,114	0.08%
SECOND CLASS CITIES										
98 AKHIOK	$1,414	0.00%	$6,071	0.05%	$24,978	0.10%	$25,149	0.09%	$25,293	0.09%
99 AKIACHAK	$27,567	0.14%	$19,322	0.16%	$31,472	0.13%	$31,569	0.12%	$31,651	0.11%
100 AKIAK	$3,784	0.02%	$3,523	0.02%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
101 AKUTAN	$98,636	0.53%	$57,837	0.48%	$87,104	0.36%	$87,140	0.33%	$87,171	0.31%
102 ALAKANUK	$27,511	0.14%	$23,029	0.19%	$31,100	0.12%	$31,229	0.12%	$31,338	0.11%
103 ALEKNAGIK	$0	0.00%	$5,278	0.04%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
104 ALLAKAKET	$6,053	0.04%	$6,786	0.05%	$30,580	0.12%	$30,835	0.11%	$31,050	0.11%
105 AMBLER	$17,221	0.09%	$13,654	0.11%	$31,545	0.13%	$31,717	0.12%	$31,862	0.11%
106 ANAKTUVUK PASS	$0	0.00%	$0	0.00%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
107 ANDERSON	$16,207	0.08%	$13,734	0.11%	$31,401	0.13%	$31,640	0.12%	$31,791	0.11%
108 ANGOON	$23,529	0.12%	$20,105	0.16%	$24,458	0.10%	$24,592	0.09%	$24,705	0.08%
109 ANIAK	$17,714	0.09%	$25,908	0.21%	$38,040	0.15%	$38,065	0.14%	$38,079	0.13%
110 ARCTIC	$0	0.00%	$0	0.00%	$29,545	0.12%	$29,880	0.11%	$30,180	0.10%
111 ATMAUTLUAK	$20,938	0.11%	$17,981	0.14%	$32,068	0.13%	$32,114	0.12%	$32,153	0.11%
112 BETHEL	$199,844	1.04%	$183,321	1.52%	$265,651	1.10%	$281,980	1.08%	$298,336	1.06%
113 BREVIG MISSION	$0	0.00%	$2,801	0.02%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
114 BUCKLAND	$3,569	0.01%	$2,905	0.02%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
115 CHEFORNAK	$1,774	0.00%	$3,925	0.03%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
116 CHEVAK	$9,087	0.04%	$12,852	0.10%	$28,903	0.12%	$29,221	0.11%	$29,491	0.10%
117 CHEVARDALUK	$3,762	0.02%	$10,321	0.08%	$31,308	0.13%	$31,500	0.12%	$31,662	0.11%
118 CLARKS POINT	$0	0.00%	$0	0.00%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
119 DELTA JUNCTION	$26,485	0.14%	$22,300	0.18%	$28,233	0.11%	$28,285	0.10%	$28,329	0.10%
120 DIOMEDE	$1,056	0.00%	$890	0.00%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
121 EAGLE	$4,257	0.02%	$3,674	0.03%	$26,181	0.10%	$26,410	0.10%	$26,603	0.09%
122 ELIM	$8,722	0.04%	$7,350	0.06%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
123 EMMONAK	$0	0.00%	$0	0.00%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
124 ESTHER	$0	0.00%	$4,580	0.03%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
125 FAIRBANKS	$19,988	0.10%	$16,440	0.13%	$29,087	0.12%	$30,212	0.11%	$30,402	0.10%
126 FORT YUKON	$47,663	0.25%	$50,167	0.38%	$51,333	0.21%	$51,455	0.19%	$51,573	0.18%
127 FORTUNA LEDGE	$4,748	0.02%	$13,260	0.11%	$30,486	0.12%	$30,668	0.11%	$30,824	0.11%
128 GAMBELL	$24,158	0.12%	$18,779	0.15%	$31,323	0.13%	$31,473	0.12%	$31,596	0.11%
129 GEORGETOWN	$3,255	0.01%	$2,825	0.02%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
130 GOODNEWS BAY	$7,487	0.04%	$0	0.00%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
131 GRAYLING	$431	0.00%	$7,465	0.06%	$30,771	0.12%	$31,010	0.11%	$31,211	0.11%
132 GREAT KRIDS	$12,382	0.06%	$10,435	0.08%	$31,078	0.12%	$31,299	0.12%	$31,469	0.11%
133 HOONAH	$16,491	0.08%	$10,133	0.08%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
134 HOOPER BAY	$39,183	0.21%	$34,179	0.28%	$66,150	0.27%	$66,177	0.25%	$66,201	0.23%
135 HUGHES	$1,461	0.00%	$1,211	0.01%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
136 HUSLIA	$31,600	0.16%	$29,800	0.24%	$59,310	0.24%	$59,335	0.22%	$59,356	0.21%
137 KAKE NAK	$0	0.00%	$0	0.00%	$23,747	0.09%	$24,023	0.09%	$24,257	0.08%
138 KAKTOVIK	$2,853	0.01%	$2,411	0.02%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
139 KALTAG	$8,025	0.04%	$6,761	0.05%	$30,312	0.12%	$30,569	0.11%	$30,825	0.11%
140 KASAAN	$512	0.00%	$432	0.00%	$22,030	0.09%	$22,347	0.08%	$22,564	0.08%
141 KIANA	$15,080	0.08%	$13,720	0.11%	$30,702	0.12%	$30,947	0.11%	$31,153	0.11%
142 KIVALINA	$6,635	0.03%	$6,503	0.05%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
143 KOBUK	$0	0.00%	$7,535	0.06%	$31,078	0.12%	$31,290	0.12%	$31,469	0.11%
144 KOTLIK	$6,012	0.03%	$5,066	0.04%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
145 KOTZEBUE	$126,462	0.68%	$111,853	0.93%	$142,487	0.59%	$142,691	0.56%	$142,136	0.51%
146 KOYUK	$4,418	0.02%	$5,126	0.04%	$28,037	0.12%	$29,252	0.11%	$29,519	0.10%
147 KOYUKUK	$1,169	0.01%	$935	0.00%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%

149	KWETHLUK	$12,614	0.06%	$10,630	0.08%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
150	LARSEN BAY	$0	0.00%	$1,343	0.01%	$23,747	0.09%	$24,023	0.09%	$24,257	0.08%
151	LOWER KALSKAG	$0	0.00%	$46,218	0.38%	$88,782	0.36%	$88,819	0.34%	$88,851	0.31%
152	MANOKOTAK	$6,053	0.03%	$5,101	0.04%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
153	MCGRATH	$18,957	0.10%	$21,926	0.18%	$32,530	0.13%	$32,617	0.12%	$32,630	0.11%
154	MEKORYUK	$5,715	0.03%	$4,165	0.03%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
155	MOUNTAIN VILLAGE	$20,374	0.10%	$35,024	0.29%	$46,300	0.19%	$46,410	0.17%	$46,426	0.16%
156	NAPAKIAK	$13,035	0.07%	$11,123	0.09%	$29,640	0.12%	$29,805	0.11%	$30,111	0.10%
157	NAPASKIAK	$5,360	0.02%	$5,042	0.04%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
158	NEWHALEN	$0	0.00%	$0	0.00%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
159	NEW STUYAHOK	$6,354	0.03%	$5,355	0.04%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
160	NENANA	$4,375	0.02%	$3,687	0.03%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
161	NIGHTMUTE	$3,835	0.02%	$3,048	0.02%	$29,080	0.12%	$29,302	0.11%	$29,647	0.10%
162	NIKOLAI	$2,553	0.01%	$0	0.00%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
163	NIKOLSKI	$3,690	0.01%	$0	0.00%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
164	NINILCHIK	$20,503	0.11%	$17,332	0.14%	$30,388	0.12%	$30,659	0.11%	$30,889	0.11%
165	NOATAK	$13,034	0.07%	$10,355	0.08%	$31,116	0.12%	$31,395	0.12%	$31,501	0.11%
166	NUIQSUT	$0	0.00%	$0	0.00%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
167	OLD HARBOR	$15,867	0.08%	$14,176	0.11%	$25,117	0.10%	$25,275	0.09%	$25,403	0.09%
168	OUZINKIE	$3,128	0.01%	$2,922	0.02%	$23,962	0.09%	$24,220	0.09%	$24,438	0.08%
169	PILOT STATION	$10,989	0.05%	$10,727	0.08%	$29,462	0.12%	$29,752	0.11%	$29,960	0.10%
170	PLATINUM	$1,647	0.00%	$20,208	0.16%	$41,848	0.17%	$41,866	0.16%	$41,881	0.14%
171	POINT HOPE	$0	0.00%	$0	0.00%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
172	PORT ALEXANDER	$1,108	0.00%	$985	0.00%	$22,918	0.09%	$23,185	0.08%	$23,411	0.08%
173	PORT HEIDEN	$46,186	0.24%	$38,515	0.32%	$83,803	0.34%	$83,839	0.32%	$83,869	0.29%
174	PORT LIONS	$10,517	0.05%	$8,863	0.07%	$24,498	0.10%	$24,710	0.09%	$24,889	0.08%
175	QUINHAGAK	$7,145	0.03%	$10,369	0.08%	$29,182	0.12%	$29,477	0.11%	$29,725	0.10%
176	RUBY	$3,266	0.01%	$2,764	0.02%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
177	RUSSIAN MISSION	$4,241	0.02%	$0	0.00%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
178	SAINT MICHAEL	$7,808	0.04%	$6,751	0.05%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
179	SAINT PAUL	$75,721	0.40%	$67,644	0.56%	$118,144	0.49%	$118,194	0.45%	$118,236	0.42%
180	SAVOONGA	$8,982	0.04%	$9,792	0.08%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
181	SAXMAN	$7,398	0.03%	$6,234	0.05%	$22,920	0.09%	$23,185	0.08%	$23,263	0.08%
182	SCAMMON BAY	$8,195	0.04%	$7,840	0.06%	$29,182	0.12%	$29,477	0.11%	$29,725	0.10%
183	SELAWIK	$12,688	0.06%	$9,901	0.08%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
184	SHAGELUK	$9,321	0.05%	$0	0.00%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
185	SHAKTOOLIK	$22,021	0.11%	$24,323	0.20%	$46,390	0.19%	$46,410	0.17%	$46,426	0.16%
186	SHELDON POINT	$0	0.00%	$0	0.00%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
187	SHISHMAREF	$11,097	0.05%	$11,833	0.09%	$29,454	0.12%	$29,725	0.11%	$29,954	0.10%
188	SHUNGNAK	$0	0.00%	$3,782	0.03%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
189	STEBBINS	$8,994	0.04%	$7,398	0.06%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
190	TANANA	$29,805	0.16%	$25,194	0.20%	$36,881	0.15%	$36,895	0.14%	$36,910	0.13%
191	TELLER	$5,998	0.03%	$9,220	0.06%	$29,719	0.12%	$29,957	0.11%	$30,176	0.10%
192	TENAKEE SPRINGS	$5,046	0.02%	$4,414	0.03%	$23,215	0.09%	$23,457	0.09%	$23,661	0.08%
193	TOGIAK	$15,619	0.08%	$15,663	0.13%	$29,697	0.12%	$29,866	0.11%	$30,008	0.10%
194	TOKSOOK BAY	$10,395	0.05%	$8,701	0.07%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
195	TULUKSAK	$4,553	0.02%	$26,405	0.22%	$44,708	0.18%	$44,747	0.17%	$44,803	0.16%
196	TUNTUTULIAK	$6,761	0.03%	$7,159	0.05%	$28,717	0.11%	$29,051	0.11%	$29,334	0.10%
197	UNALAKLEET	$35,858	0.19%	$29,882	0.24%	$32,150	0.13%	$32,189	0.12%	$32,221	0.11%
198	UPPER KALSKAG	$0	0.00%	$3,974	0.03%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
199	WAINWRIGHT	$0	0.00%	$0	0.00%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
200	WALES	$0	0.00%	$0	0.00%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
201	WASILLA	$69,866	0.37%	$51,614	0.43%	$114,228	0.47%	$114,276	0.43%	$114,317	0.40%
202	WHITE MOUNTAIN	$0	0.00%	$0	0.00%	$27,889	0.11%	$28,213	0.10%	$28,488	0.10%
203	WHITTIER	$0	0.00%	$21,567	0.17%	$30,132	0.12%	$30,145	0.11%	$30,156	0.10%
204	WILDING	$2,702	0.01%	$3,275	0.02%	$29,545	0.12%	$29,889	0.11%	$30,180	0.10%
205	EXT FIRE AREAS	$0	0.00%	$0	0.00%	$22,000	0.09%	$22,367	0.08%	$22,564	0.08%
		$13,808,475		$12,000,526		$24,000,000		$27,000,000		$28,000,000	

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

MEMORANDUM April 28, 1980

TO: Representative Terry Gardiner

FROM: Jack Kreinheder
Issues Analyst

RE: CS for House Bill No. 192 (Finance) am
Research Request No. 64

As you requested, I have prepared new computer runs estimating the revenue sharing entitlements for each municipality, as reflected in the version of HB 192 passed by the House on 4/22/80. The following changes were made to the original bill:

1. The total entitlement was increased from $27 million to $31 million (Section 12).

2. The hold-harmless provision was extended from three to five years [Section 11(a)(2)].

3. In-lieu-of tax revenues from municipal utilities were included as eligible local revenues for the purpose of determining each municipality's local tax effort [Section 2, Section 29.88.010 (c)(1)(c)].

4. The effective date in the event of a legislative appropriation less than that specified in the bill was changed from 1982 to 1983 (Section 12).

5. The section providing for aid to volunteer fire departments (VFD's) was amended on the House floor to make all VFD's, not just those outside cities or boroughs, eligible for State aid under HB 192 [Section 3, Section 29.89.025(a)].

The entitlement figures in the attached chart should be regarded as preliminary values, primarily because we are still evaluating the fiscal impact of the amendment pertaining to volunteer fire departments. These computer runs, therefore, do not reflect the VFD amendment. In addition,

it appears that there is a greater number of municipalities which collect in-lieu-of tax revenues from municipal utilities than we had originally believed. In-lieu-of tax revenues have been included for the major municipalities, but we need to contact about 25 local governments to verify the remaining in-lieu-of revenues. A new set of entitlement figures incorporating these revenues, as well as the effect of the VFD amendment, will be prepared as soon as the necessary data can be obtained.

Entitlement Chart

The attached chart presents three entitlement figures for each municipality, together with the percentages of the total entitlement which each figure constitutes. The first two columns contain the population of each local government and its percentage of the state's total population. The next two columns show the revenue sharing entitlement and percentage for each municipality under current law for FY 80, excluding health and hospital entitlements. The following two columns display the local government entitlements under HB 192, also excluding health and hospital funding. The remaining four columns also compare present law and HB 192 entitlements and percentages, but include the funding for health services and hospitals.

JK/dp

Attachment

Prepared by:
House Research Agency
April 28, 1980

CS FOR HOUSE BILL NO. 192 (Finance) am
PERCENTAGE BREAKDOWN OF REVENUE SHARING ENTITLEMENTS

LOCAL GOV'T	POPULATION	PERCENTAGE	PRESENT LAW ENTITLEMENT	PERCENTAGE	HB 192 ENTITLEMENT (Excluding Health & Hospital Funding; Total = $22,740,838)	PERCENTAGE	PRESENT LAW ENTITLEMENT	PERCENTAGE	HB 192 ENTITLEMENT (Including Health & Hospital Funding; Total = $31,000,000)	PERCENTAGE
BOROUGHS AND SERVICE AREAS										
1 ANCHORAGE A.M.	204,809	46.07%	$1,326,915	11.05%	$4,080,709	17.94%	$6,632,016	32.77%	$10,329,393	33.32%
2 CITY S.A.	83,340	18.74%	$233,840	1.99%	$273,425	1.20%	$239,840	1.18%	$244,674	0.78%
3 EAGLE RIVER	7,532	1.69%	$42,408	0.35%	$29,147	0.12%	$42,408	0.20%	$26,082	0.08%
4 CHUGIAK	4,845	1.09%	$27,316	0.22%	$6,191	0.02%	$27,316	0.13%	$5,540	0.01%
5 GIRDWOOD	487	0.10%	$4,576	0.03%	$1,230	0.00%	$4,576	0.02%	$1,101	0.00%
6 GLEN ALPS	65	0.01%	$0	0.00%	$83	0.00%	$0	0.00%	$74	0.00%
7 FIRE S.A.	189,598	42.65%	$958,835	7.99%	$698,952	3.07%	$958,835	4.73%	$625,456	2.01%
8 ROADS & DRAINAGE	168,826	37.98%	$438,495	3.65%	$1,557,745	6.84%	$438,495	2.16%	$1,496,712	4.82%
9 POLICE S.A.	185,893	41.82%	$1,588,798	13.23%	$990,479	4.35%	$1,588,798	7.85%	$886,329	2.85%
10 PARKS & REC.	189,469	42.62%	$657,089	5.47%	$280,215	1.23%	$657,089	3.24%	$250,750	0.80%
11 P & R/CHUGIAK	12,452	2.80%	$46,802	0.39%	$17,712	0.07%	$46,802	0.23%	$15,850	0.05%
12 SOLID WASTE S.A.	184,290	41.46%	$0	0.00%	$67,688	0.29%	$0	0.00%	$60,571	0.19%
13 CHUGIAK/SOLID WASTE	14,476	3.25%	$0	0.00%	$2,209	0.00%	$0	0.00%	$1,977	0.00%
14 BUILDING SAFETY	184,216	41.44%	$0	0.00%	$103,153	0.45%	$0	0.00%	$92,306	0.29%
15 SPECIAL ASSESSMENT	92,239	20.75%	$21,187	0.17%	$143,002	0.62%	$21,187	0.10%	$132,931	0.42%
		TOTAL	$5,352,264	44.60%	$8,251,948	36.28%	$10,657,365	52.66%	$14,169,751	45.70%
16 BRISTOL BAY BOROUGH	1,685	0.37%	$48,670	0.40%	$118,801	0.52%	$48,670	0.24%	$107,783	0.34%
17 SOUTH NAKNEK S.A.	225	0.05%	$0	0.00%	$751	0.00%	$0	0.00%	$672	0.00%
		TOTAL	$48,670	0.40%	$119,553	0.52%	$48,670	0.24%	$108,456	0.34%
18 FAIRBANKS BOROUGH	66,222	14.89%	$816,424	6.80%	$1,504,315	6.61%	$816,424	4.03%	$1,360,417	4.38%
19 BALLAINE LAKE	168	0.03%	$401	0.00%	$1,303	0.00%	$401	0.00%	$1,260	0.00%
20 DIANE	66	0.01%	$2,074	0.01%	$4,797	0.02%	$2,074	0.01%	$4,779	0.01%
21 WILDWIEW ACRES	77	0.01%	$11,048	0.09%	$24,501	0.10%	$11,048	0.05%	$24,514	0.07%
22 SMITH RANCH	438	0.09%	$3,449	0.02%	$11,433	0.05%	$3,449	0.01%	$11,039	0.03%
23 ENGINEER CREEK	144	0.03%	$0	0.00%	$732	0.00%	$0	0.00%	$655	0.00%
24 ESTER LUMP	10	0.00%	$2,684	0.02%	$5,947	0.02%	$2,684	0.01%	$5,950	0.01%
25 NORTH STAR F.P.	6,500	1.46%	$42,143	0.35%	$18,868	0.08%	$42,143	0.20%	$16,884	0.05%
26 BECKER RIDGE	108	0.02%	$8,519	0.07%	$19,295	0.08%	$8,519	0.04%	$19,263	0.06%
27 UNIVERSITY F.P.	7,177	1.61%	$46,533	0.38%	$45,131	0.19%	$46,533	0.22%	$40,385	0.13%
28 LAWLORY HILL	50	0.01%	$3,617	0.03%	$9,933	0.04%	$3,617	0.01%	$9,736	0.03%
29 SPRUCE ACRES	50	0.01%	$816	0.00%	$1,915	0.00%	$816	0.00%	$1,905	0.00%
		TOTAL	$937,714	7.81%	$1,648,174	7.24%	$937,714	4.63%	$1,496,792	4.82%
30 HAINES BOROUGH	1,924	0.43%	$2,200	0.01%	$24,048	0.10%	$2,200	0.01%	$23,593	0.07%

31 JUNEAU BOROUGH A.W.	23,115	5.20%	$242,042	2.01%	$1,039,553	4.57%	$417,940	2.06%	$1,117,755	3.60%
32 S.A. 1	7,372	1.65%	$124,108	1.03%	$240,939	1.05%	$124,108	0.61%	$219,364	0.70%
33 S.A. 2	1,667	0.37%	$29,893	0.24%	$26,499	0.11%	$29,893	0.14%	$24,932	0.08%
34 S.A. 3	206	0.04%	$40,266	0.33%	$96,879	0.42%	$40,266	0.19%	$96,129	0.31%
35 S.A. 4	1,591	0.35%	$8,970	0.07%	$5,870	0.02%	$8,970	0.04%	$5,253	0.01%
36 S.A. 5	10,490	2.36%	$59,141	0.49%	$42,679	0.18%	$59,141	0.29%	$38,191	0.12%
37 S.A. 6	766	0.17%	$4,318	0.03%	$2,223	0.00%	$4,318	0.02%	$1,989	0.00%
38 S.A. 7	450	0.10%	$2,537	0.02%	$678	0.00%	$2,537	0.01%	$607	0.00%
39 S.A. 8	573	0.12%	$3,230	0.02%	$639	0.00%	$3,230	0.01%	$572	0.00%
		TOTAL	$514,509	4.28%	$1,455,965	6.40%	$690,407	3.41%	$1,504,856	4.85%
40 KENAI PENINSULA BOROUGH	25,507	5.73%	$41,224	0.34%	$306,427	1.34%	$41,224	0.20%	$274,205	0.88%
41 CENTRAL HOSPITAL	16,466	3.70%	$0	0.00%	$8,917	0.03%	$60,607	0.29%	$7,979	0.02%
42 SOUTH HOSPITAL	6,282	1.41%	$0	0.00%	$16,127	0.07%	$60,607	0.29%	$89,331	0.28%
43 NIKISKI F.P.	3,510	0.78%	$21,273	0.17%	$9,642	0.04%	$21,273	0.10%	$8,628	0.02%
44 NORTH KENAI REC.	3,822	0.85%	$15,442	0.12%	$6,757	0.02%	$15,442	0.07%	$6,047	0.01%
45 BEAR CREEK F.P.	660	0.14%	$4,000	0.03%	$6,985	0.03%	$4,000	0.01%	$6,250	0.02%
		TOTAL	$81,940	0.68%	$354,857	1.56%	$203,156	1.00%	$392,443	1.26%
46 KETCHIKAN BOROUGH	13,463	3.02%	$70,843	0.59%	$275,443	1.21%	$70,843	0.35%	$246,480	0.79%
47 SHORELINE S.A.	703	0.15%	$3,963	0.03%	$2,223	0.00%	$3,963	0.01%	$1,989	0.00%
		TOTAL	$74,806	0.62%	$277,667	1.22%	$74,806	0.36%	$248,469	0.80%
48 KODIAK ISLAND BOROUGH	8,926	2.00%	$23,[illegible]	0.19%	$109,300	0.48%	$148,075	0.73%	$243,812	0.78%
49 FIRE DISTRICT I	1,752	0.39%	$10,661	0.08%	$5,728	0.02%	$10,661	0.05%	$5,125	0.01%
50 ROAD DISTRICT	352	0.07%	$18,182	0.15%	$43,369	0.19%	$18,182	0.08%	$43,070	0.13%
		TOTAL	$52,591	0.43%	$158,397	0.69%	$176,919	0.87%	$292,008	0.94%
51 MAT-SU BOROUGH	23,177	5.21%	$345,104	2.87%	$793,362	3.48%	$345,104	1.70%	$758,009	2.44%
52 WASILLA F.P.	3,879	0.87%	$22,689	0.18%	$4,523	0.01%	$22,689	0.11%	$4,048	0.01%
53 BUTTE F.P.	2,506	0.56%	$14,658	0.12%	$2,804	0.01%	$14,658	0.07%	$2,509	0.00%
54 GREATER PALMER F.P.	3,027	0.68%	$20,911	0.17%	$0	0.00%	$20,911	0.10%	$0	0.00%
55 SUTTON F.P.	818	0.18%	$4,784	0.03%	$2,211	0.00%	$4,784	0.02%	$1,978	0.00%
56 NON AREA-WIDE	17,810	4.00%	$0	0.00%	$11,717	0.05%	$0	0.00%	$10,485	0.03%
57 TALKEETNA FLOOD S.A.	308	0.06%	$0	0.00%	$1,263	0.00%	$0	0.00%	$1,130	0.00%
58 GARDEN TERRACE	79	0.01%	$0	0.00%	$712	0.00%	$0	0.00%	$637	0.00%
		TOTAL	$408,149	3.40%	$816,594	3.59%	$408,149	2.01%	$778,799	2.51%
59 NORTH SLOPE BOROUGH	8,055	1.81%	$203,508	1.69%	$226,194	0.99%	$231,661	1.14%	$247,645	0.79%
60 SITKA BOROUGH	8,787	1.97%	$234,649	1.95%	$[illegible]50,643	1.10%	$319,327	1.57%	$322,974	1.04%
FIRST CLASS CITIES										
61 BARROW	2,715	0.61%	$34,122	0.28%	$57,910	0.25%	$34,122	0.16%	$51,821	0.16%
62 CORDOVA	2,730	0.62%	$91,271	0.76%	$168,643	0.74%	$171,288	0.84%	$253,349	0.81%
63 CRAIG	587	0.13%	$19,856	0.16%	$46,103	0.20%	$22,863	0.11%	$46,439	0.14%
64 DILLINGHAM	1,658	0.37%	$62,407	0.52%	$82,523	0.36%	$62,407	0.30%	$76,118	0.24%
65 FAIRBANKS	36,637	8.24%	$709,841	5.91%	$1,645,859	7.23%	$2,117,319	10.46%	$3,099,185	9.99%
66 GALENA	957	0.21%	$33,914	0.28%	$33,842	0.14%	$37,935	0.18%	$37,885	0.12%
67 HAINES	1,366	0.30%	$49,634	0.41%	$84,882	0.37%	$49,634	0.24%	$78,922	0.25%
68 HOMER	2,227	0.50%	$69,574	0.57%	$82,885	0.36%	$76,039	0.37%	$85,778	0.27%
69 KODIAK	1,093	0.24%	$32,671	0.27%	$38,768	0.17%	$39,136	0.19%	$44,417	0.14%
70 KOTZEBUE	331	0.08%	$9,732	0.08%	$22,868	0.10%	$12,739	0.06%	$23,387	0.07%

[illegible]	710	0.15%	$18,967	0.15%	$26,008	0.11%	$18,967	0.09%	$24,279	0.07%
[illegible]	4,421	0.93%	$166,757	1.38%	$354,773	1.56%	$166,757	0.82%	$330,175	1.06%
[illegible]	8,542	1.92%	$208,143	1.73%	$484,876	2.13%	$305,179	1.50%	$550,128	1.77%
[illegible]	733	0.16%	$21,913	0.18%	$27,652	0.12%	$25,709	0.12%	$28,318	0.09%
[illegible]	404	0.09%	$10,560	0.08%	$22,417	0.09%	$13,567	0.06%	$22,940	0.07%
[illegible]	5,754	1.29%	$164,263	1.36%	$203,330	0.89%	$164,263	0.81%	$186,174	0.60%
[illegible]	503	0.11%	$28,578	0.23%	$66,010	0.29%	$28,578	0.14%	$62,944	0.20%
[illegible]	2,892	0.65%	$111,941	0.93%	$223,023	0.98%	$208,794	1.03%	$320,486	1.03%
[illegible]	823	0.18%	$29,197	0.24%	$50,611	0.22%	$29,197	0.14%	$48,547	0.15%
80 PALMER	2,056	0.46%	$65,141	0.54%	$135,854	0.59%	$126,841	0.62%	$204,586	0.65%
81 PELICAN	221	0.04%	$4,816	0.04%	$23,305	0.10%	$8,048	0.03%	$24,469	0.07%
82 PETERSBURG	3,197	0.71%	$94,268	0.78%	$192,601	0.84%	$163,987	0.81%	$260,863	0.84%
83 SAND POINT	773	0.17%	$27,161	0.22%	$46,760	0.20%	$30,958	0.15%	$49,556	0.15%
84 SAINT MARY'S	436	0.09%	$32,119	0.26%	$48,686	0.21%	$36,028	0.17%	$53,142	0.17%
85 SELDOVIA	528	0.11%	$20,441	0.17%	$37,247	0.16%	$23,674	0.11%	$39,466	0.12%
86 SEWARD	1,778	0.40%	$64,622	0.53%	$118,790	0.52%	$183,054	0.90%	$265,031	0.85%
87 SKAGWAY	877	0.19%	$33,840	0.28%	$54,128	0.23%	$37,072	0.18%	$55,429	.17%
88 SOLDOTNA	2,365	0.53%	$91,572	0.76%	$[illegible],599	0.85%	$91,572	0.45%	$180,594	0.58%
89 UNALASKA	768	0.17%	$72,551	0.60%	$195,585	0.86%	$82.041	0.40%	$200,445	0.64%
90 VALDEZ	4,066	0.91%	$137,150	1.14%	$136,861	0.60%	$214,931	1.06%	$214,644	0.69%
91 ZONE I	3,631	0.81%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
92 ZONE II	380	0.08%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
		TOTAL	$137,150	1.14%	$136,861	0.60%	$214,931	1.06%	$214,644	0.69%
93 WRANGELL	3,325	0.74%	$95,108	0.79%	$197,470	0.86%	$161,308	0.80%	$260,489	0.84%
94 ZONE II	997	0.22%	$0	0.00%	$21,600	0.09%	$0	0.00%	$10,328	0.06%
96 ZONE IV	2,328	0.52%	$0	0.00%	$77,591	0.34%	$0	0.00%	$69,432	0.22%
		TOTAL	$95,108	0.79%	$296,662	1.30%	$161,908	0.80%	$349,251	1.12%
97 YAKUTAT	442	0.09%	$11,691	0.09%	$24,629	0.10%	$14,924	0.07%	$25,187	0.08%
SECOND CLASS CITIES										
98 ADAK	121	0.02%	$6,071	0.05%	$24,854	0.10%	$6,071	0.03%	$24,891	0.08%
99 AKIACHAK	354	0.07%	$19,322	0.16%	$31,402	0.13%	$25,040	0.12%	$32,287	0.10%
100 AKIAK	216	0.04%	$3,588	0.02%	$28,474	0.12%	$7,497	0.03%	$29,159	0.09%
101 AKULMIUT	641	0.14%	$57,837	0.48%	$87,078	0.38%	$65,655	0.32%	$97,532	0.31%
102 ALAKANUK	527	0.11%	$23,029	0.19%	$31,006	0.13%	$26,938	0.13%	$31,671	0.10%
103 ALEKNAGIK	227	0.05%	$5,278	0.04%	$27,652	0.12%	$5,278	0.02%	$27,708	0.08%
104 ALLAKAKET	216	0.04%	$6,786	0.05%	$30,394	0.13%	$10,808	0.05%	$31,091	0.10%
105 ANDER	217	0.04%	$13,654	0.11%	$31,420	0.13%	$17,676	0.08%	$32,108	0.10%
106 ANAKTUVUK PASS	173	0.03%	$0	0.00%	$29,295	0.12%	$0	0.00%	$29,354	0.09%
107 ANDERSON	698	0.15%	$13,734	0.11%	$31,331	0.13%	$13,734	0.06%	$31,373	0.10%
108 ANGOON	541	0.12%	$20,195	0.16%	$24,360	0.10%	$23,314	0.11%	$24,894	0.08%
109 ANIAK	355	0.07%	$25,038	0.21%	$33,038	0.16%	$29,959	0.14%	$43,410	0.14%
110 ANVIK	102	0.02%	$0	0.00%	$29,295	0.12%	$0	0.00%	$29,354	0.09%
111 ATMAUTLUAK	200	0.04%	$17,981	0.14%	$33,035	0.14%	$21,890	0.10%	$34,404	0.11%
112 BETHEL	3,853	0.86%	$183,321	1.52%	$255,780	1.12%	$235,115	1.16%	$311,094	1.00%
113 BREVIG MISSION	147	0.03%	$2,801	0.02%	$28,474	0.12%	$6,710	0.03%	$29,159	0.09%
114 BUCKLAND	170	0.03%	$2,905	0.02%	$29,295	0.12%	$6,927	0.03%	$30,001	0.09%
115 CHEFORNAK	206	0.04%	$3,925	0.03%	$28,474	0.12%	$7,834	0.03%	$29,159	0.09%
116 CHEVAK	468	0.10%	$12,852	0.10%	$28,672	0.12%	$16,761	0.08%	$29,356	0.09%
117 CHIGNIK	127	0.02%	$10,321	0.08%	$31,168	0.13%	$14,343	0.07%	$31,858	0.10%
118 CLARK'S POINT	98	0.02%	$0	0.00%	$27,652	0.12%	$0	0.00%	$27,708	0.08%
119 [illegible] JUNCTION	892	0.20%	$22,320	0.18%	$28,195	0.12%	$25,777	0.12%	$29,257	0.09%
120 [illegible]	125	0.02%	$800	0.00%	$27,652	0.12%	$4,686	0.02%	$28,318	0.09%

121 EAGLE	142	0.03%	$3,674	0.03%	$26,014	0.11%	$3,674	0.01%	$26,059	0.08%
122 EEK	307	0.06%	$7,350	0.06%	$28,474	0.12%	$11,259	0.05%	$29,159	0.09%
123 EKWOK	111	0.02%	$0	0.00%	$27,652	0.12%	$0	0.00%	$27,708	0.08%
124 ELIM	218	0.04%	$4,580	0.03%	$28,474	0.12%	$8,483	0.04%	$29,159	0.09%
125 LIEKNAK	545	0.12%	$16,449	0.13%	$29,823	0.13%	$20,358	0.10%	$30,408	0.09%
126 FORT YUKON	637	0.14%	$40,167	0.33%	$51,318	0.22%	$4,189	0.21%	$56,701	0.18%
127 FORTUNA LEDGE	263	0.05%	$13,260	0.11%	$30,353	0.13%	$17,169	0.08%	$31,024	0.10%
128 GAMBELL	447	0.10%	$18,779	0.15%	$31,244	0.13%	$18,779	0.03%	$31,279	0.10%
129 GOLOVIN	118	0.02%	$2,825	0.02%	$28,474	0.12%	$6,734	0.03%	$29,159	0.09%
130 GOOSE BAY	243	0.05%	$0	0.00%	$28,474	0.12%	$0	0.00%	$28,531	0.09%
131 GRAYLING	181	0.04%	$7,465	0.06%	$30,598	0.13%	$7,465	0.03%	$30,647	0.09%
132 HOLY CROSS	302	0.06%	$10,435	0.08%	$30,924	0.13%	$14,457	0.07%	$31,616	0.10%
133 HOOPER BAY	610	0.13%	$10,133	0.08%	$28,474	0.12%	$10,133	0.05%	$28,531	0.09%
134 HOUSTON	440	0.09%	$34,179	0.28%	$66,130	0.29%	$34,179	0.16%	$66,181	0.21%
135 HUGHES	98	0.02%	$1,231	0.01%	$29,295	0.12%	$1,231	0.00%	$29,354	0.09%
136 HUSLIA	212	0.04%	$29,890	0.24%	$52,293	0.26%	$33,912	0.16%	$64,632	0.20%
137 KACHEMAK	151	0.03%	$0	0.00%	$23,545	0.10%	$0	0.00%	$23,593	0.07%
138 KAKTOVIK	192	0.04%	$2,413	0.02%	$29,295	0.12%	$2,413	0.01%	$29,354	0.09%
139 KALTAG	257	0.05%	$6,763	0.05%	$30,109	0.13%	$6,763	0.03%	$30,162	0.09%
140 KASAAN	46	0.01%	$432	0.00%	$21,303	0.09%	$3,439	0.01%	$22,430	0.07%
141 KIANA	344	0.07%	$13,720	0.11%	$30,525	0.13%	$17,741	0.08%	$31,220	0.10%
142 KIVALINA	264	0.05%	$6,503	0.05%	$29,295	0.12%	$10,524	0.05%	$30,001	0.09%
143 KOBUK	61	0.01%	$7,535	0.06%	$30,924	0.13%	$11,557	0.05%	$31,616	0.10%
144 KOTLIK	305	0.06%	$5,066	0.04%	$28,474	0.12%	$8,975	0.04%	$29,159	0.09%
145 KOTZEBUE	2,526	0.56%	$111,653	0.93%	$136,554	0.60%	$111,653	0.55%	$128,423	0.41%
146 KOYUK	178	0.04%	$5,126	0.04%	$28,707	0.12%	$9,035	0.04%	$29,391	0.09%
147 KOYUKUK	124	0.02%	$935	0.00%	$29,295	0.12%	$4,956	0.02%	$30,001	0.09%
148 KUPREANOF	42	0.00%	$474	0.00%	$22,724	0.09%	$474	0.00%	$22,770	0.07%
149 KWETHLUK	444	0.09%	$10,630	0.08%	$28,474	0.12%	$14,539	0.07%	$29,159	0.09%
150 LARSEN BAY	133	0.02%	$1,343	0.01%	$23,545	0.10%	$1,343	0.00%	$23,593	0.07%
151 LOWER KALSKAG	229	0.05%	$46,218	0.38%	$88,756	0.39%	$50,240	0.24%	$94,168	0.30%
152 MANOKOTAK	250	0.05%	$5,101	0.04%	$27,652	0.12%	$8,897	0.04%	$28,313	0.09%
153 MCGRATH	382	0.08%	$21,926	0.18%	$32,467	0.14%	$25,948	0.12%	$33,146	0.10%
154 MEKORYUK	174	0.03%	$4,165	0.03%	$28,474	0.12%	$8,074	0.03%	$29,159	0.09%
155 MOUNTAIN VILLAGE	543	0.12%	$35,024	0.29%	$46,377	0.20%	$38,933	0.19%	$51,606	0.16%
156 NAPAKIAK	313	0.07%	$11,129	0.09%	$29,455	0.12%	$15,038	0.07%	$30,133	0.09%
157 NAPASKIAK	240	0.05%	$5,042	0.04%	$28,474	0.12%	$9,928	0.04%	$29,280	0.09%
158 NEWHALEN	105	0.02%	$0	0.00%	$27,652	0.12%	$0	0.00%	$27,708	0.08%
159 NEW STUYAHOK	297	0.06%	$5,355	0.04%	$27,652	0.12%	$9,151	0.04%	$28,313	0.09%
160 NEWTOK	154	0.03%	$3,687	0.03%	$28,474	0.12%	$7,596	0.03%	$29,159	0.09%
161 NIGHTMUTE	135	0.03%	$3,048	0.02%	$28,869	0.12%	$3,048	0.01%	$28,924	0.09%
162 NIKOLAI	152	0.03%	$0	0.00%	$29,295	0.12%	$0	0.00%	$29,354	0.09%
163 NUNDALTON	226	0.05%	$0	0.00%	$27,652	0.12%	$0	0.00%	$27,708	0.08%
164 NUNIVIK	526	0.11%	$17,332	0.14%	$30,191	0.13%	$17,332	0.08%	$30,243	0.09%
165 NULATO	332	0.07%	$10,355	0.08%	$30,964	0.13%	$14,377	0.07%	$31,656	0.10%
166 NUTGSUT	182	0.04%	$0	0.00%	$29,295	0.12%	$0	0.00%	$29,354	0.09%
167 OLD HARBOR	345	0.07%	$14,176	0.11%	$25,002	0.10%	$14,176	0.07%	$25,037	0.08%
168 OUZINKIE	177	0.03%	$2,922	0.02%	$23,775	0.10%	$2,922	0.01%	$23,820	0.07%
169 PILOT STATION	311	0.06%	$10,727	0.08%	$29,265	0.12%	$10,727	0.05%	$29,316	0.09%
170 PLATINUM	58	0.01%	$20,298	0.16%	$41,836	0.18%	$20,298	0.10%	$41,869	0.13%
171 POINT HOPE	464	0.10%	$0	0.00%	$29,295	0.12%	$0	0.00%	$29,354	0.09%
172 PORT ALEXANDER	101	0.02%	$985	0.00%	$22,724	0.09%	$985	0.00%	$22,770	0.07%
173 PORT HEIDEN	91	0.02%	$38,515	0.32%	$83,779	0.36%	$42,311	0.20%	$83,887	0.28%
174 PORT LIONS	232	0.05%	$3,863	0.07%	$24,344	0.10%	$8,863	0.04%	$24,385	0.07%
175 QUINHAGAK	448	0.10%	$10,369	0.08%	$28,968	0.12%	$14,278	0.07%	$29,650	0.09%

178 [illegible]	220	0.04%		$2,764	0.02%	$29,295	0.12%	$2,764	0.01%	$29,354	0.09%
179 RUSSIAN MISSION	167	0.03%		$0	0.00%	$28,474	0.12%	$0	0.00%	$28,531	0.09%
180 SAINT MICHAEL	282	0.06%		$6,751	0.05%	$28,474	0.12%	$10,660	0.05%	$29,159	0.09%
181 SAINT PAUL	567	0.12%		$67,644	0.56%	$118,109	0.51%	$67,644	0.33%	$118,201	0.38%
182 SAVOONGA	409	0.09%		$9,792	0.08%	$28,474	0.12%	$13,701	0.06%	$29,159	0.09%
183 SAWMILL	272	0.06%		$6,234	0.05%	$22,786	0.10%	$6,234	0.03%	$22,827	0.07%
184 SCAMMON BAY	232	0.05%		$7,840	0.06%	$28,968	0.12%	$11,749	0.05%	$29,650	0.09%
185 SELAWIK	505	0.11%		$9,901	0.08%	$29,295	0.12%	$9,901	0.04%	$29,354	0.09%
186 SHAGELUK	223	0.05%		$0	0.00%	$29,295	0.12%	$0	0.00%	$29,354	0.09%
187 SHAKTOOLIK	160	0.03%		$24,323	0.20%	$46,377	0.20%	$28,232	0.13%	$51,606	0.16%
188 SHELDON POINT	143	0.03%		$0	0.00%	$28,474	0.12%	$0	0.00%	$28,531	0.09%
189 SHISHMAREF	373	0.08%		$11,833	0.09%	$29,257	0.12%	$15,742	0.07%	$29,936	0.09%
190 SHUNGNAK	198	0.04%		$3,782	0.03%	$29,295	0.12%	$7,804	0.03%	$30,001	0.09%
191 STEBBINS	309	0.06%		$7,398	0.06%	$28,474	0.12%	$11,307	0.05%	$29,159	0.09%
192 TANANA	499	0.11%		$25,194	0.20%	$36,870	0.16%	$25,194	0.12%	$36,899	0.11%
193 TELLER	258	0.05%		$8,229	0.06%	$29,538	0.12%	$12,138	0.05%	$30,215	0.09%
194 TENAKEE SPRINGS	141	0.03%		$4,414	0.03%	$23,040	0.10%	$4,414	0.02%	$23,083	0.07%
195 TOGIAK	474	0.10%		$15,665	0.13%	$29,574	0.13%	$15,665	0.07%	$29,674	0.09%
196 TOKSOOK BAY	336	0.07%		$8,701	0.07%	$28,474	0.12%	$12,610	0.06%	$29,159	0.09%
197 TULUKSAK	258	0.05%		$26,405	0.22%	$44,755	0.19%	$30,314	0.14%	$49,983	0.16%
198 TUNTUTAK	299	0.06%		$7,159	0.05%	$28,474	0.12%	$11,068	0.05%	$29,159	0.09%
199 UNALAKLEET	632	0.14%		$29,882	0.24%	$32,122	0.14%	$33,791	0.16%	$35,118	0.11%
200 UPPER KALSKAG	166	0.03%		$3,974	0.03%	$29,295	0.12%	$3,974	0.01%	$29,354	0.09%
201 WAINWRIGHT	429	0.09%		$0	0.00%	$29,295	0.12%	$0	0.00%	$29,354	0.09%
202 WALES	130	0.02%		$0	0.00%	$27,652	0.12%	$0	0.00%	$27,708	0.08%
203 WASILLA	2,184	0.49%		$51,614	0.43%	$114,194	0.50%	$51,614	0.25%	$114,283	0.36%
204 WHITE MOUNTAIN	115	0.02%		$0	0.00%	$27,652	0.12%	$0	0.00%	$27,708	0.08%
205 WHITTIER	292	0.06%		$21,567	0.17%	$30,123	0.13%	$25,025	0.12%	$34,741	0.11%
206 WILDERING	133	0.02%		$3,276	0.02%	$29,295	0.12%	$7,298	0.03%	$30,001	0.09%
207 EXT FIRE AREAS	1	0.00%		$0	0.00%	$21,903	0.09%	$52,204	0.25%	$69,353	0.22%
			TOTAL	$12,000,226		$22,740,838		$20,311,591		$31,000,000	

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

MEMORANDUM April 30, 1980

TO: Representative Terry Gardiner

FROM: Jack Kreinheder, Issues Analyst JK

RE: Impact of Proposed HB 192 Hold Harmless Amendment(125 Percent)
Research Request No. 64

Attached is the computer run you requested for the Senate Community and Regional Affairs Committee, showing the effect on HB 192 revenue sharing entitlements of a provision ensuring that all municipalities would receive at least 125 percent of their 1980 prorated entitlement. The run was made at a funding level of $31 million and includes hospital and health entitlements.

A total of thirteen municipalities would be affected by a 125 percent hold harmless provision, with the following local governments receiving the most money under such a provision:

1.	Sitka Borough	-	$72,493
2.	City of Valdez	-	$51,535
3.	North Slope Borough	-	$39,253
4.	City of Kodiak	-	$17,256

The total cost or the amount that other communities would lose from this hold harmless amendment would be about $225,000. The cost would be distributed equally over all municipalities on a percentage basis, with each municipality not benefitting from the hold harmless provision incurring a reduction of about one percent (.01) in its revenue sharing entitlement.

One final point is that as HB 192 is written, providing a 125 percent hold harmless clause would result in an actual entitlement increase for affected municipalities of about 24 percent. This is a result of the existing hold harmless language, which states that the additional hold

harmless monies shall be prorated along with all other entitlements to fund the hold harmless entitlements. In order to guarantee an actual increase of 25 percent over the current entitlement, the hold harmless level would need to be set at about 126 percent, or the proration mechanism could be changed so that the hold harmless entitlements were not prorated.

JK/bf

PERCENTAGE BREAKDOWN OF POPULATION AND ENTITLEMENTS

*****INCLUDING REP. GARDINER'S PROPOSED 125% HOLD HARMLESS AMENDMENT*****

PREPARED BY
HOUSE RESEARCH AGENCY
APRIL 30, 1980

NOTE: MUSA'S INCLUDED; HEALTH & HOSP. INCLUDED
TOTAL ENTITLEMENT = $31,000,000
CHAPTER 88 PRORATION FACTOR = 2.704663794016
MINIMUM ENT. PRORATION FACTOR = .879065571238
HOLD HARMLESS PRORATION FACTOR = .990752017207
MUNICIPAL POPULATION = 444,481

	LOCAL GOV'T	POPULATION	PERCENTAGE	PRESENT LAW ENTITLEMENT	PERCENTAGE	HB 192 ENTITLEMENT	PERCENTAGE
BOROUGHS AND SERVICE AREAS							
1	ANCHORAGE A.W.	204,809	46.07%	$6,632,016	32.77%	$10,236,611	33.02%
2	CITY S.A.	83,340	18.74%	$239,840	1.18%	$242,003	0.78%
3	EAGLE RIVER	7,522	1.69%	$42,408	0.20%	$25,737	0.08%
4	CHUGIAK	4,845	1.09%	$27,316	0.13%	$5,480	0.01%
5	GIRDWOOD	487	0.10%	$4,576	0.02%	$1,089	0.00%
6	GLEN ALPS	65	0.01%	$0	0.00%	$74	0.00%
7	FIRE S.A.	189,598	42.65%	$958,835	4.73%	$618,628	1.99%
8	ROADS & DRAINAGE	168,826	37.98%	$438,495	2.16%	$1,483,278	4.78%
9	POLICE S.A.	185,893	41.82%	$1,588,798	7.85%	$876,653	2.82%
10	PARKS & REC.	189,469	42.62%	$657,089	3.24%	$248,013	0.80%
11	P & R/CHUGIAK	12,452	2.80%	$46,802	0.23%	$15,677	0.05%
12	SOLID WASTE S.A.	184,290	41.46%	$0	0.00%	$59,910	0.19%
13	CHUGIAK/SOLID WASTE	14,476	3.25%	$0	0.00%	$1,955	0.00%
14	BUILDING SAFETY	184,216	41.44%	$0	0.00%	$91,299	0.29%
15	SPECIAL ASSESSMENT	92,239	20.75%	$21,187	0.10%	$131,620	0.42%
			TOTAL	$10,657,365	52.66%	$14,038,092	45.28%
16	BRISTOL BAY BOROUGH	1,685	0.37%	$48,670	0.24%	$106,648	0.34%
17	SOUTH NAKNEK S.A.	225	0.05%	$0	0.00%	$666	0.00%
			TOTAL	$48,670	0.24%	$107,314	0.34%
18	FAIRBANKS BOROUGH	66,222	14.89%	$816,424	4.03%	$1,345,971	4.34%
19	BALLAINE LAKE	168	0.03%	$401	0.00%	$1,249	0.00%
20	DIANE	66	0.01%	$2,074	0.01%	$4,740	0.01%
21	WILDVIEW ACRES	77	0.01%	$11,048	0.05%	$24,320	0.07%
22	SMITH RANCH	438	0.09%	$3,449	0.01%	$10,941	0.03%
23	ENGINEER CREEK	144	0.03%	$0	0.00%	$648	0.00%
24	ESTER LUMP	10	0.00%	$2,684	0.01%	$5,903	0.01%
25	NORTH STAR F.P.	6,500	1.46%	$42,143	0.20%	$16,699	0.05%
26	BECKER RIDGE	108	0.02%	$8,519	0.04%	$19,109	0.06%
27	UNIVERSITY F.P.	7,177	1.61%	$46,533	0.22%	$39,944	0.12%
28	LAKLOEY HILL	50	0.01%	$3,617	0.01%	$9,654	0.03%
29	SPRUCE ACRES	50	0.01%	$816	0.00%	$1,890	0.00%
			TOTAL	$937,714	4.63%	$1,481,073	4.77%
30	HAINES BOROUGH	1,924	0.43%	$2,200	0.01%	$21,406	0.07%
31	JUNEAU BOROUGH A.W.	23,115	5.20%	$417,940	2.06%	$1,106,114	3.56%
32	S.A. 1	7,372	1.65%	$124,108	0.61%	$217,076	0.70%
33	S.A. 2	1,667	0.37%	$29,893	0.14%	$24,755	0.07%
34	S.A. 3	206	0.04%	$40,266	0.19%	$95,347	0.30%
35	S.A. 4	1,591	0.35%	$8,970	0.04%	$5,196	0.01%
36	S.A. 5	10,490	2.36%	$59,141	0.29%	$37,774	0.12%
37	S.A. 6	766	0.17%	$4,318	0.02%	$1,967	0.00%
38	S.A. 7	450	0.10%	$2,537	0.01%	$600	0.00%

		TOTAL	$690,407	3.41%	$1,489,33[illegible]	4.80%
40 KENAI PENINSULA BOROUGH	25,507	5.73%	$41,224	0.20%	$271,212	0.87%
41 CENTRAL HOSPITAL	16,466	3.70%	$60,607	0.29%	$7,892	0.02%
42 SOUTH HOSPITAL	6,282	1.41%	$60,607	0.29%	$88,580	0.28%
43 NIKISKI F.P.	3,510	0.78%	$21,273	0.10%	$8,534	0.02%
44 NORTH KENAI REC.	3,822	0.85%	$15,442	0.07%	$5,981	0.01%
45 BEAR CREEK F.P.	660	0.14%	$4,000	0.01%	$6,182	0.01%
		TOTAL	$203,156	1.00%	$388,383	1.25%
46 KETCHIKAN BOROUGH	13,463	3.02%	$70,843	0.35%	$243,789	0.78%
47 SHORELINE S.A.	703	0.15%	$3,963	0.01%	$1,967	0.00%
		TOTAL	$74,806	0.36%	$245,757	0.79%
48 KODIAK ISLAND BOROUGH	8,926	2.00%	$148,075	0.73%	$241,587	0.77%
49 FIRE DISTRICT I	1,759	0.39%	$10,661	0.05%	$5,069	0.01%
50 ROAD DISTRICT	352	0.07%	$18,182	0.08%	$42,720	0.13%
		TOTAL	$176,919	0.87%	$289,377	0.93%
51 MAT-SU BOROUGH	23,177	5.21%	$345,104	1.70%	$751,093	2.42%
52 WASILLA F.P.	3,879	0.87%	$22,689	0.11%	$4,003	0.01%
53 BUTTE F.P.	2,506	0.56%	$14,658	0.07%	$2,482	0.00%
54 GREATER PALMER F.P.	3,027	0.68%	$20,911	0.10%	$0	0.00%
55 SUTTON F.P.	818	0.18%	$4,784	0.02%	$1,957	0.00%
56 NON AREA-WIDE	17,810	4.00%	$0	0.00%	$10,370	0.03%
57 TALKEETNA FLOOD S.A.	308	0.06%	$0	0.00%	$1,117	0.00%
58 GARDEN TERRACE	79	0.01%	$0	0.00%	$630	0.00%
		TOTAL	$408,149	2.01%	$771,656	2.48%
59 NORTH SLOPE BOROUGH	8,055	1.81%	$231,661	1.14%	$286,898	0.92%
60 SITKA BOROUGH	8,787	1.97%	$319,327	1.57%	$395,467	1.27%
FIRST CLASS CITIES						
61 BARROW	2,715	0.61%	$34,122	0.16%	$51,255	0.16%
62 CORDOVA	2,760	0.62%	$171,288	0.84%	$250,953	0.80%
63 CRAIG	587	0.13%	$22,863	0.11%	$45,978	0.14%
64 DILLINGHAM	1,658	0.37%	$62,407	0.30%	$77,288	0.24%
65 FAIRBANKS	36,637	8.24%	$2,117,319	10.46%	$3,070,885	9.90%
66 GALENA	957	0.21%	$37,935	0.18%	$46,981	0.15%
67 HAINES	1,366	0.30%	$49,634	0.24%	$78,145	0.25%
68 HOMER	2,227	0.50%	$76,039	0.37%	$94,169	0.30%
69 HOONAH	1,093	0.24%	$39,136	0.19%	$48,468	0.15%
70 HYDABURG	381	0.08%	$12,739	0.06%	$23,202	0.07%
71 KAKE	710	0.15%	$18,967	0.09%	$24,043	0.07%
72 KENAI	4,421	0.99%	$166,757	0.82%	$326,930	1.05%
73 KETCHIKAN	8,542	1.92%	$305,179	1.50%	$586,485	1.89%
74 KING COVE	733	0.16%	$25,709	0.12%	$31,840	0.10%
75 KLAWOCK	404	0.09%	$13,567	0.06%	$22,758	0.07%
76 KODIAK	5,754	1.29%	$164,263	0.81%	$203,430	0.65%
77 NENANA	503	0.11%	$28,578	0.14%	$62,366	0.20%
78 NOME	2,892	0.65%	$208,794	1.03%	$317,451	1.02%
79 NORTH POLE	823	0.18%	$29,197	0.14%	$48,109	0.15%
80 PALMER	2,056	0.46%	$126,841	0.62%	$202,735	0.65%
81 PELICAN	221	0.04%	$8,048	0.03%	$24,275	0.07%
82 PETERSBURG	3,197	0.71%	$163,987	0.81%	$258,344	0.83%
83 SAND POINT	773	0.17%	$30,958	0.15%	$49,105	0.15%
84 SAINT MARY'S	436	0.09%	$36,028	0.17%	$52,701	0.17%
85 SELDOVIA	528	0.11%	$23,674	0.11%	$39,100	0.12%
86 SEWARD	1,778	0.40%	$183,054	0.90%	$262,744	0.84%

87 SKAGWAY	877	0.19%	$37,072	[illegible]%	$54,913	0.17%
88 SOLDOTNA	2,365	0.53%	$91,572	[illegible]%	$178,830	0.57%
89 UNALASKA	767	0.17%	$82,041	0.40%	$198,657	0.64%
90 VALDEZ	4,066	0.91%	$214,931	1.06%	$266,179	0.85%
91 ZONE I	3,631	0.81%	$0	0.00%	$0	0.00%
92 ZONE II	380	0.08%	$0	0.00%	$0	0.00%
		TOTAL	$214,931	1.06%	$266,179	0.85%
93 WRANGELL	3,325	0.74%	$161,908	0.80%	$257,945	0.83%
94 ZONE II	997	0.22%	$0	0.00%	$19,117	0.06%
96 ZONE IV	2,328	0.52%	$0	0.00%	$68,675	0.22%
		TOTAL	$161,908	0.80%	$345,738	1.11%
97 YAKUTAT	442	0.09%	$14,924	0.07%	$24,987	0.08%
SECOND CLASS CITIES						
98 AKHIOK	121	0.02%	$6,071	0.03%	$24,694	0.07%
99 AKIACHAK	354	0.07%	$25,040	0.12%	$32,031	0.10%
100 AKIAK	216	0.04%	$7,437	0.03%	$28,928	0.09%
101 AKOLMIUT	641	0.14%	$65,655	0.32%	$96,759	0.31%
102 ALAKANUK	527	0.11%	$26,938	0.13%	$33,361	0.10%
103 ALEKNAGIK	227	0.05%	$5,278	0.02%	$27,488	0.08%
104 ALLAKAKET	216	0.04%	$10,808	0.05%	$30,844	0.09%
105 AMBLER	217	0.04%	$17,676	0.08%	$31,854	0.10%
106 ANAKTUVUK PASS	173	0.03%	$0	0.00%	$29,121	0.09%
107 ANDERSON	698	0.15%	$13,734	0.06%	$31,125	0.10%
108 ANGOON	541	0.12%	$23,314	0.11%	$28,873	0.09%
109 ANIAK	355	0.07%	$29,959	0.14%	$43,066	0.13%
110 ANVIK	102	0.02%	$0	0.00%	$29,121	0.09%
111 ATMAUTLUAK	200	0.04%	$21,890	0.10%	$34,131	0.11%
112 BETHEL	3,853	0.86%	$235,115	1.16%	$308,282	0.99%
113 BREVIG MISSION	147	0.03%	$6,710	0.03%	$28,928	0.09%
114 BUCKLAND	170	0.03%	$6,927	0.03%	$29,762	0.09%
115 CHEFORNAK	206	0.04%	$7,834	0.03%	$28,928	0.09%
116 CHEVAK	468	0.10%	$16,761	0.08%	$29,123	0.09%
117 CHUATHBALUK	127	0.02%	$14,343	0.07%	$31,605	0.10%
118 CLARK'S POINT	98	0.02%	$0	0.00%	$27,488	0.08%
119 DELTA JUNCTION	892	0.20%	$25,777	0.12%	$31,924	0.10%
120 DIOMEDE	125	0.02%	$4,686	0.02%	$28,093	0.09%
121 EAGLE	142	0.03%	$3,674	0.01%	$25,852	0.08%
122 EEK	307	0.06%	$11,259	0.05%	$28,928	0.09%
123 EMMOK	111	0.02%	$0	0.00%	$27,488	0.08%
124 ELIM	218	0.04%	$8,489	0.04%	$28,928	0.09%
125 ENNONAK	545	0.12%	$20,358	0.10%	$30,256	0.09%
126 FORT YUKON	637	0.14%	$44,189	0.21%	$56,251	0.18%
127 FORTUNA LEDGE	263	0.05%	$17,169	0.08%	$30,778	0.09%
128 GAMBELL	447	0.10%	$18,779	0.09%	$31,031	0.10%
129 GOLOVIN	118	0.02%	$6,734	0.03%	$28,928	0.09%
130 GOODNEWS BAY	248	0.05%	$0	0.00%	$28,305	0.09%
131 GRAYLING	181	0.04%	$7,465	0.03%	$30,403	0.09%
132 HOLY CROSS	302	0.06%	$14,457	0.07%	$31,365	0.10%
133 HOOPER BAY	610	0.13%	$10,133	0.05%	$28,305	0.09%
134 HOUSTON	440	0.09%	$34,179	0.16%	$65,657	0.21%
135 HUGHES	98	0.02%	$1,231	0.00%	$29,121	0.09%
136 HUSLIA	212	0.04%	$33,912	0.16%	$64,169	0.20%
137 KACHEMAK	151	0.03%	$0	0.00%	$23,406	0.07%
138 KAKTOVIK	192	0.04%	$2,413	0.01%	$29,121	0.09%
139 KALTAG	257	0.05%	$6,763	0.03%	$29,927	0.09%
140 KASAAN	46	0.01%	$3,439	0.01%	$22,252	0.07%
141 KIANA	344	0.07%	$17,741	0.08%	$30,972	0.09%

143 KOBUK	61	0.01%	$11,557	0.05%	$31,365	0.10%
144 KOTLIK	305	0.06%	$8,975	0.04%	$28,928	0.09%
145 KOTZEBUE	2,526	0.56%	$111,653	0.55%	$138,276	0.44%
146 KOYUK	178	0.04%	$9,035	0.04%	$29,158	0.09%
147 KOYUKUK	124	0.02%	$4,356	0.02%	$29,762	0.09%
148 KUPREANOF	42	0.00%	$474	0.00%	$22,589	0.07%
149 KWETHLUK	444	0.09%	$14,539	0.07%	$28,928	0.09%
150 LARSEN BAY	133	0.02%	$1,3 3	0.00%	$23,406	0.07%
151 LOWER KALSKAG	229	0.05%	$50,240	0.24%	$93,421	0.30%
152 MANOKOTAK	250	0.05%	$8,897	0.04%	$28,093	0.09%
153 MCGRATH	382	0.08%	$25,948	0.12%	$32,883	0.10%
154 MEKORYUK	174	0.03%	$8,074	0.03%	$28,928	0.09%
155 MOUNTAIN VILLAGE	543	0.12%	$38,933	0.19%	$51,197	0.16%
156 NAPAKIAK	313	0.07%	$15,038	0.07%	$29,894	0.09%
157 NAPASKIAK	240	0.05%	$9,928	0.04%	$29,048	0.09%
158 NEWHALEN	105	0.02%	$0	0.00%	$27,488	0.08%
159 NEW STUYAHOK	297	0.06%	$9,151	0.04%	$28,093	0.09%
160 NEWTOK	154	0.03%	$7,596	0.03%	$28,928	0.09%
161 NIGHTMUTE	135	0.03%	$3,048	0.01%	$28,694	0.09%
162 NIKOLAI	152	0.03%	$0	0.00%	$29,121	0.09%
163 NONDALTON	226	0.05%	$0	0.00%	$27,488	0.08%
164 NOORVIK	526	0.11%	$17,332	0.08%	$30,003	0.09%
165 NULATO	332	0.07%	$14,377	0.07%	$31,405	0.10%
166 NUIQSUT	182	0.04%	$0	0.00%	$29,121	0.09%
167 OLD HARBOR	345	0.07%	$14,176	0.07%	$24,839	0.08%
168 OUZINKIE	177	0.03%	$2,922	0.01%	$23,631	0.07%
169 PILOT STATION	301	0.06%	$10,727	0.05%	$29,084	0.09%
170 PLATINUM	58	0.01%	$20,298	0.10%	$41,537	0.13%
171 POINT HOPE	464	0.10%	$0	0.00%	$29,121	0.09%
172 PORT ALEXANDER	101	0.02%	$985	0.00%	$22,589	0.07%
173 PORT HEIDEN	91	0.02%	$42,311	0.20%	$88,183	0.28%
174 PORT LIONS	232	0.05%	$8,863	0.04%	$24,192	0.07%
175 QUINHAGAK	448	0.10%	$14,278	0.07%	$29,415	0.09%
176 RUBY	220	0.04%	$2,764	0.01%	$29,121	0.09%
177 RUSSIAN MISSION	167	0.03%	$0	0.00%	$28,305	0.09%
178 SAINT MICHAEL	282	0.06%	$10,660	0.05%	$28,928	0.09%
179 SAINT PAUL	567	0.12%	$67,644	0.33%	$117,264	0.37%
180 SAVOONGA	409	0.09%	$13,701	0.06%	$28,928	0.09%
181 SAXMAN	272	0.06%	$6,234	0.03%	$22,642	0.07%
182 SCAMMON BAY	232	0.05%	$11,749	0.05%	$29,415	0.09%
183 SELAWIK	505	0.11%	$9,901	0.04%	$29,121	0.09%
184 SHAGELUK	223	0.05%	$0	0.00%	$29,121	0.09%
185 SHAKTOOLIK	160	0.03%	$28,232	0.13%	$51,197	0.16%
186 SHELDON POINT	143	0.03%	$0	0.00%	$28,305	0.09%
187 SHISHMAREF	373	0.08%	$15,742	0.07%	$29,699	0.09%
188 SHISHMAK	198	0.04%	$7,804	0.03%	$29,762	0.09%
189 STEBBINS	309	0.06%	$11,307	0.05%	$28,928	0.09%
190 TANANA	499	0.11%	$25,194	0.12%	$36,606	0.11%
191 TELLER	258	0.05%	$12, 48	0.05%	$29,975	0.09%
192 TENAKEE SPRINGS	141	0.03%	$4,414	0.02%	$22,900	0.07%
193 TOGIAK	474	0.10%	$15,665	0.07%	$29,379	0.09%
194 TOKSOOK BAY	336	0.07%	$12,610	0.06%	$28,928	0.09%
195 TULUKSAK	258	0.05%	$30,314	0.14%	$49,587	0.15%
196 TUNUNAK	299	0.06%	$11,068	0.05%	$28,928	0.09%
197 UNALAKLEET	632	0.14%	$33,791	0.16%	$41,848	0.13%
198 UPPER KALSKAG	166	0.03%	$3,974	0.01%	$29,121	0.09%
199 WAINWRIGHT	429	0.09%	$0	0.00%	$29,121	0.09%
200 WALES	130	0.02%	$0	0.00%	$27,488	0.08%
201 WASILLA	2,184	0.49%	$51,614	0.25%	$113,377	0.36%
202 WHITE MOUNTAIN	115	0.02%	$0	0.00%	$27,488	0.08%
203 WHITTIER	292	0.06%	$25,025	0.12%	$34,465	0.11%
204 DEERING	133	0.02%	$7,298	0.03%	$29,762	0.09%
205 EXT FIRE AREAS	1	0.00%	$52,204	0.25%	$68,803	0.22%
		TOTAL	$20,311,591		$31,000,000	

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM

March 26, 1980

TO: Representative Terry Gardiner

FROM: Jack Kreinheder, Issues Analyst JK

RE: Explanation of HB 192 Equalization Formula
Research Request No. 64

You have requested that I prepare for the Finance Committee some practical examples of how the equalization formula in Chapter 88 of HB 192 is applied. This memorandum presents three hypothetical and three real applications of the equalization formula. Also included in the last section is a revised estimate of the taxation incentive under HB 192.

The HB 192 equalization formula is defined as P x R, where P = population and R = millage rate equivalent, or local tax effort. This local effort factor is calculated by dividing the total locally generated revenues allowed under the bill by one-tenth of one percent of the total property value of the taxing unit. To take a theoretical case, if a municipality has local revenues of $1 million and a total property valuation of $100 million, the local effort factor would be 10 [$1 million/($100 million x .001)]. A municipality with the same tax base but $2 million in local revenues would have a local effort factor of 20 [$2 million/($1 million x .001)], and its Chapter 88 entitlement per resident would therefore be twice that of the former community.

A third example would be a municipality with the same local revenues as the first example ($1 million), but with a tax base only half as large ($50 million). This municipality would also have a local effort factor of 20 [$1 million/($50 million x .001)], and would therefore receive twice the Chapter 88 entitlement per resident of the first example, and the same entitlement as the second example. Although the municipality in the second example raises twice the local revenues of the municipality in the third case, the second municipality's tax base is also twice as large; thus, the tax burden and local effort factor of the two municipalities is identical and they would receive the same entitlement per resident under Chapter 88. Of course, if the populations of the two municipalities differed, the actual Chapter 88 entitlement for each of the two local governments would vary in direct proportion to their populations. Table 1 summarizes the three examples presented above.

To further illustrate the relationsnip of the three variables used in the equalization formula--population, local revenues, and local assessed property valuation--consider the communities of Kenai, Ketchikan, and Homer. Table II shows how the equalization entitlement is calculated for each of the communities. As the table indicates, the local revenues generated by Kenai are only about 72 percent as large as those raised by Ketchikan, but Kenai's property valuation is also about 72 percent that of Ketchikans; therefore, the local effort factors are nearly identical (19.95 vs. 19.50). These cities are placing similar tax burdens on their residents and their equalization entitlements per resident would thus be comparable. Ketchikan has nearly twice as many residents as Kenai, and its total Chapter 88 entitlement would be correspondingly greater than Kenai's.

Homer has a tax base of about $86 million, or about 64 percent of Kenai's. If the local revenues raised by Homer were also 64 percent of the local revenues collected by Kenai, the local effort factors and Chapter 88 entitlements per resident of the two cities would be identical. However, Homer's actual locally-generated revenues are only about 30 percent as large as Kenai's. Homer's local effort factor would therefore be less than half that of Kenai's (9.17 vs. 19.95). In other words, the tax burden on the residents of Kenai, relative to the tax base of the community, is more than twice the tax burden carried by Homer residents. Kenai's equalization entitlement under HB 192 would therefore be about 2.2 times more per resident than Homer's. It should be noted that although Homer's Chapter 88 entitlement per resident would be less than either Ketchikan's or Kenai's, Homer would still receive more revenue sharing funds than it currently receives at any HB 192 total entitlement of $27 million or greater (including health entitlements).

One additional consideration should be mentioned. There is a fourth factor used in determining equalization entitlements under HB 192 however, it is applied equally to all communities. This is a proration factor which calculates the share of the total entitlement which is distributed under the equalization entitlement provision (Chapter 88). The proration factor varies according to the total entitlement; at a total entitlement of $27 million (including health entitlements), the factor is about 2.4. The actual equalization entitlement for each local government at a total entitlement of $27 million would therefore be 2.4 times the amount determined by application of the equalization formula.

HB 192 Taxation Incentive

The incentive for municipalities to raise tax rates in order to receive additional revenue sharing funds under HB 192 is much smaller than I indicated to you at the Finance Committee meeting of 3/24. I had thought that the local taxes/revenue sharing entitlement ratio was about 3 to 1; i.e., three additional dollars in local taxes would increase the revenue

sharing entitlement by one dollar. However, test runs of the computer model indicate that this 3:1 ration applies only to very small communities or service areas, and that the ratio is much higher for larger municipalities. Anchorage appears to have the highest ratio at about 23 to 1, meaning that to obtain one additional revenue sharing dollar under HB 192, Anchorage would have to raise an additional $23 in local taxes. The average ratio for all the municipalities appears to be about 14 to 1. Therefore, the incentive for municipalities to raise taxes under HB 192 is much lower than previously indicated.

JK/dp

TABLE I

THREE EXAMPLES OF THE HB 192

EQUALIZATION FORMULA

	LOCALLY-GENERATED REVENUES		PROPERTY VALUATION		LOCAL EFFORT FACTOR (millage rate equivalent)
MUNICIPALITY 1	$1 million	÷	[$100 million (x .001)]	=	10
MUNICIPALITY 2	$2 million	÷	[$100 million (x .001)]	=	20
MUNICIPALITY 3	$1 million	÷	[$ 50 million (x .001)]	=	20

Prepared by:

House Research Agency
March 25, 1980

TABLE II

THE HB 192 EQUALIZATION FORMULA

AS

APPLIED TO THREE ALASKAN CITIES
(Thousands of Dollars)

	LOCALLY-GENERATED REVENUES		PROPERTY VALUATION		LOCAL EFFORT FACTOR		POPULATION		EQUALIZATION ENTITLEMENT (CHAPTER 88)
KETCHIKAN	$3,715	÷	[$190,000 (x .001)]	=	19.50	(x)	8,542	(x 2.4)* =	$401
KENAI	2,667	÷	[$134,000 (x .001)]	=	19.95	(x)	4,421	(x 2.4) =	$212
HOMER	789	÷	[$ 86,000 (x .001)]	=	9.17	(x)	2,227	(x 2.4) =	$ 49

* 2.4 is the equalization entitlement proration factor at a total entitlement of $27 million. The factor will vary in accordance with the total entitlement level, as explained in the attached memo.

Prepared by:

House Research Agency
March 25, 1980

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM April 9, 1980

TO: Representative Bill Parker
Senator Arliss Sturgulewski

FROM: Jack Kreinheder, Issues Analyst JK

RE: Incentives for Regional Government Formation and Local Service Delivery
Research Request No. 8

In a meeting on March 21 with Marjorie Gorsuch and Margo Waring of your staffs, it was agreed that the best course of action at this point would be for me to focus my research efforts on the development of specific amendments to HB 192 which would enable the bill to more effectively meet some of your goals for the revenue sharing program. The two objectives chosen for further study were: (1) to provide greater incentives for the formation of regional governments in the unorganized borough; and (2) to provide incentives for the transfer of service delivery responsibility to the local level.

It appears that the potential for modifying the HB 192 revenue sharing proposal to meet these objectives without sacrificing the political viability of the bill is rather limited, for reasons explained below. However, we have formulated two possible amendments to the bill which would provide the types of incentives you wish to create. The two proposals are described below.

Borough Formation Incentives

Under AS 29.18.180, a newly incorporated borough is eligible for an organizational grant of at least $25,000, or $10 for every voter participating in the borough incorporation election. It is widely recognized that a grant of this size would cover only a small part of of the organizational costs of any new borough. The State Assessor's Office has estimated that it would cost at least $200,000 just to prepare the initial tax assessment roll in any one of the current R.E.A.A.'s. New boroughs would also be faced with the cost of hiring municipal personnel, establishing new services, and other major expenses. In addition, the organizational grant amount has not been changed since 1966, although inflation has more than doubled costs since that time.

One way to encourage borough formation would therefore be to amend AS 29.18.180 to provide a larger grant. A minimum organizational grant for new boroughs of $125,000 per year for the first two years, and $75,000 for the third year, would more accurately reflect the true costs of organization and would provide a greater incentive for the formation of regional governments in the unorganized borough. These figures were developed by staff members of the Department of Community and Regional Affairs and suggested to me by Patrick Poland of the Department's Local Government Assistance Division.

Although these grant values may still not cover all the costs of borough organization, depending on the size and situation of the area being organized, they would at least provide a more realistic and substantial amount of funding for this purpose. Of course, increasing the organizational grants to even higher levels would offer a greater incentive for borough formation, but there would appear to be a clear trade-off between the amount of funding offered and the prospects of the legislation being enacted.

It would probably be desirable to retain the per capita provision of the organizational grants to account for the higher costs of organizing boroughs for larger or more populated areas. Under present law, a new borough would receive more on a per capita basis than the minimum grant if more than 2500 persons vote in the organization election. Applying the same 2500 voter threshold to the proposed total organizational grant of $325,000, the per voter grant would be $130.

It may also be desirable to incorporate other factors into the organizational grants, such as land area of the new borough, population density, or taxable property value. Unfortunately, little is known about the quantitative relationship between these factors and the cost of borough organization, and making the organizational grant provisions too complex could reduce the incentive for organization which the grant is intended to provide.

Incentives for Local Service Delivery

The services which were identified during this research as possible candidates for the transferral of delivery responsibility from the state to the local level are police protection and the maintenance of airports, ports and harbors, and certain types of roads. A number of local governments have expressed interest in assuming these services, but could not

obtain sufficient funding from their own resources or from the current revenue sharing program. A possible method of encouraging local governments to assume responsibility for police services and the maintenance of transportation facilities would be to allow municipalities to receive the funds which the State would otherwise expend in providing the particular service the municipality wished to assume.

For example, if the Department of Public Safety spends $50,000 per year to provide police assistance to a given community, that community could elect to receive the $50,000 directly in exchange for an agreement to provide a similar level of police protection. If the community felt it could not fully replace the services of the State Troopers, but wanted to have some type of police assistance at the community level, the local government could receive a level of funding which corresponded to the expected reduction in State Trooper expenditures resulting from the local police service plan. For example, if the majority of police assistance calls in a community were for relatively minor late-night or weekend disturbances, the community could receive some funding for a part-time or on-call local officer, while retaining the services of the State Troopers for homicides or other serious crimes. A similar arrangement could apply to the maintenance of airports, harbors, and roads.

It appears that this type of approach would need to be carried out through negotiations between the Department of Public Safety - or the Department of Transportation, in the case of airports, harbors, and roads - and local governments on an individual basis. The primary concern of the departments involved would probably be to ensure that their responsibilities for local services would be decreased in proportion to their loss in funding. It might be desirable for local governments to prepare a plan of service which would demonstrate to the department's satisfaction that the municipality would be able to either meet the same standards as the service provided by the department, or, if it provided a lower level of service, would require only part of the department's funding for that service.

The primary advantage of transferring these types of services to the local level would be enhanced flexibility and freedom of choice for municipalities with regard to the types and levels of service provided in each community. Local governments assuming a service previously provided by the State would be free to supplement the State funding with other local, federal, or State monies if they wished to provide a greater level of service. Although it is questionable whether local governments should be allowed to use the State money for an altogether different

service than the one being transferred, since police protection and basic facility maintenance are usually considered as essential services, municipalities could be allowed to provide the service in an alternative manner that fulfilled the same needs, but was more appropriate for the particular characteristics and situation of each community. For example, a community with high unemployment could elect to employ maintenance procedures for its airport, harbor, or roads which made less use of graders, dredges and other equipment, and employed more workers instead.

There are a number of potential difficulties with the local assumption of State services. Economies of scale appear to be one of the most significant problems with this approach. Particularly in the smaller communities, it may not be economically feasible to maintain a police force or maintenance personnel at the local level. A related problem is that of administrative support for police and maintenance services. Although a community might be able to afford a policeman's salary, for example, it may not be able to cover the cost of equipment, insurance, legal protection, and other necessary administrative expenses. However, it may be possible for two or more local governments in close proximity to enter into joint agreements for a particular service, and thereby increase the efficiency and feasibility of the service, while still retaining local control.

An additional problem may be that in some cases the department's costs would not be significantly reduced if a local government assumed a particular service. For instance, the Department of Public Safety may have one State Trooper who is responsible for a region containing five small communities. If two of these communities decide to assume responsibility for police protection, the Department would probably save only the cost of transporting the trooper to those communities, because it can't employ three-fifths of a trooper for the remaining communities.

One practical consideration with the transfer of services to the local level is that the departments may not be able to break out their expenditures on a community-by-community basis. Should this problem arise, one solution would be to require such a breakdown for the upcoming fiscal year and then implement the transfer of service responsibility the following year.

A final problem could be that of differing standards of service quality between the departments and the communities assuming new services. Because judgements about levels and qualities of service tend to be subjective in nature, it is easy to imagine disputes arising between the departments and local governments about whether a municipality's approach to service delivery

met the same standards as the service previously provided by the State.

HB 192 Issues

Neither of the options discussed above would directly modify the revenue sharing program proposed in HB 192, although the options could be incorporated in the bill as a separate section. We considered several possible changes to the HB 192 revenue sharing proposal which would provide incentives for borough formation and local assumption of services, but it was evident that none of these changes could be made without seriously compromising the political viability of the bill. The basic problem is that any changes to the HB 192 equalization formula or other parts of the bill which would provide these types of incentives will result in a loss of revenue sharing funds for established municipalities, or will reduce local flexibility in the use of revenue sharing funds. Both of these results would tend to reduce the support of existing municipalities for the bill, which is already facing an uncertain political future.

The Municipality of Anchorage currently opposes the passage of HB 192. Anchorage municipal officials are concerned that even though Anchorage would receive an increase in revenue sharing funds under HB 192, the municipality's percentage share of the total revenue sharing entitlement would decrease. The significance of this point for this discussion is that any changes to the HB 192 revenue sharing proposal which would provide the types of incentives you desire, would further reduce Anchorage's share (together with all existing local governments' shares)of the total funding for the program. Such changes could therefore further jeopardize the passage of HB 192 by increasing the opposition of Anchorage officials and possibly diminishing the support of other local governments for the bill.

The two major changes we considered and rejected were: (1) providing a temporarily increased entitlement to new boroughs; and (2) requiring that revenue sharing funds be used for the provision of local services, rather than capital improvements or general government expenses. Under the first approach, the equalization entitlement and/or the minimum entitlement for new boroughs would be increased by a specified factor, say three or four times, in the first year and then tapered off over several years. This increased funding would serve a purpose similar to the organizational grants suggested earlier in this memorandum; the major distinction between the two approaches is that the increased revenue sharing entitlement for the new boroughs would necessarily reduce the entitlements for all other local governments, while the

organizational grants could be funded separately, as they are under present law, and would not affect the dollar allocation or percentage share of other local governments.

With regard to incentives for local assumption of service delivery responsibilities, it was noted in my earlier memorandum of February 15 that HB 192 does increase such incentives over the present revenue sharing program by increasing the total funding level and by allowing municipalities to allocate revenue sharing funds according to local priorities. Because HB 192 would not require revenue sharing funds to be spent for local services, as opposed to capital improvements or other expenses, consideration was given to including such a requirement in the bill. However, my conversations with Community and Regional Affairs staff, Jack Chenoweth, and others indicated that many municipalities would be strongly opposed to such a requirement. In addition, a requirement of that type runs contrary to the HB 192 emphasis on local flexibility.

An important additional point is that the two options proposed earlier in this memorandum are not intended to represent a comprehensive approach to the formation of regional governments and the local provision of services. The local government legislation package already introduced would provide greater incentives in these areas than any politically feasible additions to HB 192. However, given the constraints established by the HB 192 approach to revenue sharing, these two options appear to be the most viable means of adding the types of incentives you desire to HB 192.

We hope our comments are useful. Please do not hesitate to contact me if you would like to discuss this subject in more detail, or if we may be of further assistance.

JK/bf

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We hope our comments are useful. Please do not hesitate to contact me if you would like to discuss this subject in more detail, or if we may be of further assistance.

JK/bf

May 5, 1980

TO: Gary Peska, Senate Finance

FROM: Margo Waring, Staff
Senator Sturgulewski's Office

RE: SCS CS HB 192

I am forwarding to you copies of materials supplied to the Senate Community and Regional Affairs Committee for our hearings on HB 192. You may find these helpful in your and the Senate Finance Committee's review of the legislation.

I also thought I would summarize for you the CRA Committee's actions on this bill. Amendments adopted by the Senate CRA Committee dealt with several different areas:

1. revision to the Volunteer Fire Department eligibility
2. changes regarding eligible utility revenues and assessments for public utilities
3. two highly important revenue sharing studies for baseline information on mass transit and hospital costs
4. separation of hospital construction funding from the miscellaneous services account
5. adoption of the Anchorage Municipality's amendment to increase the allocation for six communities and to peg future sums to a population figure - There was a great deal of debate on this amendment, leading to a split decision. The other version favored by Committee members, including the Chairman, was an amendment offered by the Alaska Municipal League which would "hold harmless" for five years at 115% of full entitlement. This would favorably impact more communities, while achieving Anchorage's goal of increasing their percentage of revenue sharing. It is also an approach consistent with the approach of the bill itself.

I would be glad to provide any additional background information you might wish. We have requested additional computer runs for our amendments from Jack Krienheder of House Research. These runs are not yet complete, so I have asked him to contact you directly.

Enclosure

SENATE AMENDMENT

BY Senator Rodey, Senator Kelly, Senator Meland, Senator Sturgulewski, Senator Dankworth, ~~Senator Stimson, Senator Sumner, Seantor~~ Bradley Senator Hackney, Senator Bennett & Senator Fahrenkam

To: _____ SENATE BILL No. _____

To: SCS CS HOUSE BILL No. 192 (Finance)

PAGE: 19 LINE: 5

Page 19 - Delete lines 5 through 11 and insert in their places a new section to read:

Section 13 to read:

AS 29.95.030 is amended by adding a new section to read:

Sec. 29.95.030. ENTITLEMENT ADJUSTMENT. (a) A municipality may not receive a total amount of money under AS 29.88, AS 29.89, and AS 29.95.020 which is less in proportion to the total amount appropriated and allocated under those sections than 90 percent of the percentage of the population of the municipality to the total population of the state for the fiscal year, as the population of the municipality and the population of all municipalities of the state is determined under AS 29.88.015.

(b) When the total amount that would be received by a municipality under AS 29.88, AS 29.89 and AS 29.95.020 is less than the amount determined under (a) of this section, the department shall pay to the municipality, in addition to payments under AS 29.88, AS 29.89, and AS 29.95.020, the amount of the difference.

(c) For puposes of determining whether an entitlement adjustment is payable to a borough under this section, if a borough includes one or more cities which are entitled to receive entitlements payable under AS 29.88, AS 29.89 or AS 29.95.020, in addition to the entitlement of the borough, entitlements payable to the cities shall be considered as if they were payable to the borough.

(d) The minimum entitlement adjustment account is established. Money to carry out the provisions of this section shall be allocated by the department to the account in accordance with AS 29.95.010. If amounts in the account are insufficient to pay each municipality's share authorized under this section, the amounts which are available shall be distributed pro rata among eligible municipalities.

ESTIMATE OF ADDITIONAL FUNDING REQUIRED FOR
AMENDMENT TO STATE REVENUE SHARING BILL

Borough/City	Population	% of State Population[a]	90% of Previous Column	Amount	% of State Total	Additional Requirement
Anchorage	204,809	46.08%	41.47%	$8,190,667	36.02%	$1,239,376
Sitka	8,787	1.98%	1.78%	254,978	1.12%	150,090
Galena	957	0.22%	0.20%	33,844	0.15%	11,370
Kake	710	0.16%	0.14%	26,350	0.12%	4,548
Delta Junction	892	0.20%	0.18%	28,197	0.12%	13,645
Valdez	4,066	0.91%	0.82%	136,868	0.60%	50,030
						$1,469,059

(a) State population data as of July 1, 1979 (441,481 total state population)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 192 (Finance)
Title Equalization of the Tax Resources of Municipalities
Requested by House Finance Date 4/22/80

II. FISCAL DETAIL
Agency Affected 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.		4,435.0				
	TOTAL		4,435.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		4,435.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Sec. 12 of CSHB 192 (Finance) provides for the bill becoming effective when $31.0 million is appropriated for a fiscal year.

The Governor's and House's version of the general appropriations act, HB 556, already contains $26,565,000 for revenue sharing.

IV. DATE 4/22/80 PREPARED BY Milt Barker
AGENCY Legislative Finance Div.
PHONE 465-3795

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

03-001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS HB 192
Title Equalization of the tax resources of municipalities (municipal revenue sharing)
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Community & Regional Affairs
Program Category Affected Community Development
Budget Request Unit(s) Affected Local Government Assistance - Grants

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact to the Department. The agency personnel currently responsible for administering the municipal services revenue sharing program (AS 43.18.010-045), which is repealed by this bill, would assume responsibility for the shared revenue program proposed by HB 192. It is believed that the work involved for both programs is equivalent.

IV. DATE 4-3-80 PREPARED BY Mary Foster
AGENCY Community & Regional Affairs
PHONE 465-4734

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

23-001 (Rev. 12/77)

No New F.N. Done for CS

THE LEGISLATURE — STATE OF ALASKA
FISCAL NOTE

...ST
...ation No. House Bill No. 192
Equalization of the Tax Resources of Municipalities
...ed by _____ Date: ...

...AL DETAIL
...Affected: Community and Regional Affairs
...Category Affected: Community Developme...
...Project Unit(s) Affected: Local Government Assistance - [illegible]

...DITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY [illegible]	FY [illegible]	FY [illegible]
...RSONAL SERVICES						
...RAVEL						
CONTRACTUAL						
COMMODITIES						
...UIPMENT						
LAND & STRUCTURES						
...NTS, CLAIMS, ETC.	0	27,000.0	27,000.0	27,000.0	27,000.0	
TOTAL	0	27,000.0	27,000.0	27,000.0	27,000.0	

...UE (Thousands of Dollars)

...FUND	0	27,000.0	27,000.0	27,000.0	0
...GENDS	0	0	0	0	0
...ER	0	0	0	0	0

...NS

	0	0	0	0	0
...ED	0	0	0	0	0
...PORARY	0	0	0	0	0

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

House Bill No. 192 would repeal AS 43.18.010 - 43.18.045 which provides for State Aid to Local Governments. The Governor's FY 80 request for continuance of this grant program is $18,638,000.

House Bill No. 192, which calls for reform of the State Revenue Sharing Program and a minimum appropriation of $27,000,000, would cost $[illegible] more than the Governor's request to fund in FY 80.

The agency request for FY 80 to fund the existing Revenue Sharing Program at 100% was $21,357,300. As the implications of the new definition of "full project cost" for construction aid [AS 37.14.010(1)] are [illegible] this figure may be insufficient for full funding.

...IV. DATE: 2-22-79 PREPARED BY: Mary [illegible]
AGENCY: CRA - LGAD
PHONE: 3733

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

...35 0.1 (Rev. 10/78)

AMENDMENT #1 approved

Page 2, line 20: Delete "utilities,"

Page 2, following line 24: Insert an additional paragraph to read:

"(E) payments received by a municipality from a utility which are in lieu of taxes levied and collected by the municipality."

JBC:jdn

AMENDMENT # 2

Will place in a separate account hospital construction funds. There will be a seperate account for roads/trails and hospital and health facility operation and volunteer fire departments.

AMENDMENT # 3 Two revenue sharing studies Sec. 12 and Sec. 13 at end of bill

* Sec. 12. (a) The Department of Health and Social Services and the Department of Community and Regional Affairs shall jointly examine and their recommendations on the extent to which the state should assist municipalities, nonprofit corporations, and others in the construction and operation of hospitals and health facilities.

(b) By February 1, 1981, the commissioner of health and social [illegible] shall submit to the legislature a report, accompanied by draft legislation examining programs of state aid for hospital and health facility construction and operation, including both public and private facilities, and recommending a comprehensive health and hospital financial assistance program. The report and accompanying legislation shall be based on health care and health facility need, expressed as a function of number of beds, occupancy rate of facilities, kinds of care and levels of service provided or not provided, or other factors which the commissioner of health and social services reasonably believes should be the basis by which state assistance for hospitals and health facilities and their programs should be provided.

(c) The report and accompanying legislation presented under (b) of this section shall

AMENDMENT #3 continued

(1) include, if necessary, reference to certificates of need legislation and any other current program of the federal or state governm which applies in determining whether hospitals and health care facilities shall be constructed;

(2) recommend a permanent program of state assistance to munici palities for hospital care and health care services, whether provided by public or private facilities, which improves the level of care for the peo of the state.

* Sec. 3. This Act takes effect July 1, 1980.

SB 13

It is the intent of the Legislature that the Alaska Department of Community and Regional Affairs provide, by the tenth day of the Twelfth Legislature, First Session, the Legislature with draft legislation for the funding of mass transportation through the revenue sharing formula. The Department shall also prepare a report on the current status of transit operations in the State.

In preparing draft legislation, the Department shall take into account regional differences, private and public operation of transit systems, and various options for state support. It is suggested that the Department examine the approaches to this question taken by other states.

AMENDMENT # 4 Fire

Sec. 29.89.025. STATE AID TO VOLUNTEER FIRE DEPARTMENTS IN THE UNORGANIZED BOROUGH. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or city a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made as set out in (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized borough or city upon application of the proposed fire protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal.

VERSION 1

Page 17 to existing language in (b) add clarification that the amount intended is the amount ~~prorated~~ of entitlement prorated during the last year of the old revenue sharing program.

VERSION 2

For the five years that follow adoption of the new revenue sharing program, no municipality may receive less than 125% of the amount received by that municipality during ~~the~~ the last fiscal year of the old program. Separate account?

Version 3

For the five years that follow adoption of the new revenue sharing program, no municiaplity may receive less than 125% of the amount due to ~~it~~ that municipality as its full entitlement during the last fiscal year of the old revenue sharing program. Separate account established.

VERSION 4

1. Delete (on page 17) Sec 11, subsection (a)(3).

2. Add the following to Sec. 4 (on p. 14):

Sec. 29.90.030 Minimum Entitlement Adjustment

(a) A municipality may not receive a total amount of money under AS 29.88, AS 29.89.010 and AS 29.90.020 which is less in proportion to the total amount appropriated and allocated under those sections than ninety percent (90%) of the percentage of its population to the total population of the State as determined by the Department of Labor.

(b) If the total amount that would be received by a municipality under AS 29.88, AS 29.89.010 and AS 29.90.020 would be less than as required by this section, the municipality shall receive an additional entitlement in an amount sufficient to comply with this section. In the case of boroughs that include cities which are eligible to receive funds under AS 29.88, AS 29.89 or AS 29.90.020, the funds to be received by the borough shall be deemed to include any amounts to be received by cities within the borough for purposes of this section.

(c) Amounts received by municipalities under this section are subject to proration in the manner provided by AS 29.90.010.

Min as
sep. account
amount at
2.5 million

AMENDMENT # 6

AS 29.18.180(a) is amended to read:

(a) For the purpose of defraying the cost of transition to borough or city government and in order to provide for development and interim governmental operations, each borough and city incorporated after January 1, 1968, or, in the case of a second class city, incorporated or reclassified after January 1, 1968, other than a unified municipality incorporated under the provisions of AS 29.68.240 - 29.68.440 [AS 29.85], or a municipality otherwise incorporated by consolidation, is entitled to an organization grant equal to $130 [$10] for every voter who voted in the borough or city incorporation election. However, each incorporated borough and each first class city incorporated or established by reclassification outside an organized borough is entitled to

(1) $125,000 for the fiscal year in which it was incorporated or reclassified;

(2) $125,000 for the next fiscal year; and

(3) $75,000 for the third fiscal year [AT LEAST $25,000].

* Sec. 13. AS 29.18 is amended by adding a new section to read:

Sec. 29.18.182. ASSESSMENT ROLL. (a) The Department of Community and Regional Affairs shall establish the initial assessment roll for a borough incorporated under this chapter. The initial assessment roll shall contain the information required by AS 29.53.100(a) and shall be sufficient for computing tax levies by the municipality and for computing the amount of local effort required by the municipality under AS 14.17.021(c)(2) and 14.17.071.

(b) In the preparation of the initial assessment roll, the De-

partment of Community and Regional Affairs may contract for the services of appraisers and others whose services are required to complete the initial assessment. When completed, the initial assessment roll shall be certified by the commissioner of community and regional affairs, and the completed assessment roll, together with all supporting information and materials prepared by the Department of Community and Regional Affairs shall be transmitted to the borough assembly.

(c) The Department of Community and Regional Affairs, to the extent appropriations are available for the purpose, shall continue to pay the costs of the services of a municipal assessor and related staff for three years after the completion of the initial assessment roll.

* Sec. 14. AS 29.18.182(a), added in sec. 13 of this Act, is amended to read:

(a) The Department of Community and Regional Affairs shall establish the initial assessment roll for a borough incorporated under this chapter. The initial assessment roll shall contain the information required by AS 29.53.100(a) and shall be sufficient for computing tax levies by the municipality [AND FOR COMPUTING THE AMOUNT OF LOCAL EFFORT REQUIRED BY THE MUNICIPALITY UNDER AS 14.17.021(c)(3) AND 14.17.071].

* Sec. 15. Sections 1 - 11 of this Act take effect on the first day of the fiscal year for which $31,000,000 or more is appropriated and allowed by the governor for distribution to municipalities and other recipients under the provisions of this Act, or on July 1, 1983, whichever is earlier.

* Sec. 16. Sections 12 - 14 of this Act take effect July 1, 1980.

* Sec. 17. Sections 15 - 17 of this Act take effect immediately in accordance with AS 01.10.070(c).

Official Business

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

April 29, 1980 Minutes regarding suggested amendments

REP. GARDINER
at p. 17. l. 10 or a new section:
For the fiscal years 1981-1985, no municipality may receive less than 125% of the amount received by that municipality during fiscal year 1980.

REP. GARDINER/REP. MCKINNON/REP. ROGERS
p.2.l.20 see attachment #1 (memo of April 24)

REP. GARDINER
suggestion to increase the $25,000 minimum by 30-40%

ANCHORAGE MUNICIPALITY
p. 17: Sec. 11 (a) (3) delete
p. 14 a "hold harmless" provision at 90% of population (see Attachment 2)

REP. ROGERS
p. 10
Volunteer Fire Depts (see attach. 3)

REP. GARDINER
last page
correct 3 to 5 years for consistency

Attachment 5

nity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary.

Sec. 29.89.025. STATE AID TO VOLUNTEER FIRE DEPARTMENTS ~~IN THE UNORGANIZED BOROUGH~~. (a) The state shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or a city having fire protection powers a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made as set out in (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized borough or a city, upon application of the proposed fire protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal.

(c) In this section, "fire protection" includes, but is not limited to, fire protection provided by a volunteer fire department registered with the state fire marshal which has official recognition and financial support from the community or area in which it is located.

Sec. 29.89.030. POPULATION DETERMINATION. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls.

Sec. 29.89.035. AREA COST-OF-LIVING DIFFERENTIAL. (a) State payments to a municipality or other eligible recipient under AS 29.89.010 and AS 29.89.015 shall reflect area cost-of-living differentials. Amounts distributed shall be based upon the sum of per capita, per mile and per bed or facility grants due each municipality or other recipient

AMENDMENTS

Offered to: SCS CSHB 192 (May 1, 1980)

Offered by: Senate Community and Regional Affairs Committee

AMENDMENT # 1:

Page 2, line 21: Delete "utilities,"

Page 2, following line 25: Insert an additional paragraph to read:

"(E) payments received by a municipality from a utility which are in lieu of taxes levied and collected by the municipality."

[Additional material to be provided by Lee Sharp, not received.]

AMENDMENT # 2:

Page 9, line 6 - page 10, line 4:

Delete AS 29.89.020 in its entirety and incorporate as a new program in AS 18.05. The committee should instruct whether this component shall continue to be administered by the Department of Community and Regional Affairs.

AMENDMENT # 3:

Page 10: Delete lines 17 - 20.

AMENDMENT # 4:

[The committee will have to decide on the approach to be taken. I am unable to provide four versions of language in the time provided.]

AMENDMENT # 5:

Instructions not given. . . .

AMENDMENT # 6:

Page 10, delete lines 21 - 23.

[If this amendment is agreed to, subsequent internal citations in AS 29.89 will have to be checked and modified as necessary.]

Amend ok

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

May 1, 1980

The Honorable Arliss Sturgulewski
Chairman, Senate Community and
Regional Affairs Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

FILE: Legislation-1980

SUBJECT: CSHB 192(am)

Dear Senator Sturgulewski:

The following change on page 4 of CSHB 192(Finance)(am) would provide for a simple means of adjusting the assessed value of a municipality to take into account the value of those utilities for which payments in lieu of taxes are made.

In line 8 on page 4 of the bill, delete the period after "AS 14.17.140" and add the following:

> and shall include, in addition, for each utility for which a payment in lieu of taxes is made, the computed assessed value of the utility. The computed assessed value of the utility shall be the amount computed by dividing the applicable millage rate into the amount of the payment in lieu of taxes made by the utility.

This should provide a simple method of computing the assumed value of the utility for which the payments in lieu of taxes are made. This addition should be made so that the municipalities with privately owned utilities are not penalized for permitting private industry to provide those utility services.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

Utilities

ok

AMENDMENT #1 approved

Page 2, line 20: Delete "utilities,"

Page 2, following line 24: Insert an additional paragraph to read:

"(E) payments received by a municipality from a utility which are in lieu of taxes levied and collected by the municipality."

JBC:jdn

plus wording for Sharp
p. 4 l. 6

to include value of municipal utility

min. formula determining net value of municipal utility

OK

AMENDMENT # 2

Will place in a separate account hospital construction funds. There will be a seperate account for roads/trails and hospital ~~operation.~~ & health facility operation & volunteer fire departments.

AMENDMENT # 3 Two revenue sharing studies Sec. 12 and Sec. 13 at end of bill OK

* Sec. 12. (a) The Department of Health and Social Services and the Department of Community and Regional Affairs shall jointly examine and repo their recommendations on the extent to which the state should assist munici palities, nonprofit corporations, and others in the construction and opera- tion of hospitals and health facilities.

(b) By February 1, 1981, the commissioner of health and social servic shall submit to the legislature a report, accompanied by draft legislation, examining programs of state aid for hospital and health facility constructi and operation, including both public and private facilities, and recommendi a comprehensive health and hospital financial assistance program. The repo and accompanying legislation shall be based on health care and health facili ty need, expressed as a function of number of beds, occupancy rate of faci- lities, kinds of care and levels of service provided or not provided, or any other factors which the commissioner of health and social services reasonabl believes should be the basis by which state assistance for hospitals and health facilities and their programs should be provided.

(c) The report and accompanying legislation presented under (b) of th section shall

AMENDMENT #3 continued

(1) include, if necessary, reference to certificates of need legislation and any other current program of the federal or state government which applies in determining whether hospitals and health care facilities shall be constructed;

(2) recommend a permanent program of state assistance to municipalities for hospital care and health care services, whether provided by public or private facilities, which improves the level of care for the people of the state.

* Sec. 3. This Act takes effect July 1, 1980.

Sec 13

It is the intent of the Legislature that the Alaska Department of Community and Regional Affairs provide, by the tenth day of the Twelfth Legislature, First Session, the Legislature with draft legislation for the funding of mass transportation through the revenue sharing formula. The Department shall also prepare a report on the current status of transit operations in the State.

In preparing draft legislation, the Department shall take into account regional differences, private and public operation of transit systems, and various options for state support. It is suggested that the Department examine the approaches to this question taken by other states.

AMENDMENT # 4 Fire

OK

Sec. 29.89.025. STATE AID TO VOLUNTEER FIRE DEPARTMENTS IN THE UNORGANIZED BOROUGH. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or city a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made as set out in (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized borough or city upon application of the proposed fire protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal.

AMENDMENT # 5

VERSION 1

Page 17 to existing language in (b) add clarification that the amount intended is the amount ~~proxated under the~~ of entitlement prorated during the last year of the old revenue sharing program.

VERSION 2
For the five years that follow adoption of the new revenue sharing program, no municipality may receive less than 125% of the amount received by that municipality during ~~fixxxalxyxxxxx~~ the last fiscal year of the old program. ~~Separate account?~~

Version 3
For the five years that follow adoption of the new revenue sharing program, no municiaplity may receive less than 125% of the amount due to ~~by~~ that municipality as its full entitlement during the last fiscal year of the old revenue sharing program. Separate account established.

VERSION 4

1. Delete (on page 17) Sec 11, subsection (a)(3).

2. Add the following to Sec. 4 (on p. 14):

Sec. 29.90.030 Minimum Entitlement Adjustment

(a) A municipality may not receive a total amount of money under AS 29.88, AS 29.89.010 and AS 29.90.020 which is less in proportion to the total amount appropriated and allocated under those sections than ninety percent (90%) of the percentage of its population to the total population of the State as determined by the Department of Labor.

(b) If the total amount that would be received by a municipality under AS 29.88, AS 29.89.010 and AS 29.90.020 would be less than as required by this section, the municipality shall receive an additional entitlement in an amount sufficient to comply with this section. In the case of boroughs that include cities which are eligible to receive funds under AS 29.88, AS 29.89 or AS 29.90.020, the funds to be received by the borough shall be deemed to include any amounts to be received by cities within the borough for purposes of this section.

(c) Amounts received by municipalities under this section are subject to proration in the manner provided by AS 29.90.010.

AMENDMENT # 6

NO

AS 29.18.180(a) is amended to read:

(a) For the purpose of defraying the cost of transition to borough or city government and in order to provide for development and interim governmental operations, each borough and city incorporated after January 1, 1968, or, in the case of a second class city, incorporated or reclassified after January 1, 1968, other than a unified municipality incorporated under the provisions of AS 29.68.240 - 29.68.440 [AS 29.85], or a municipality otherwise incorporated by consolidation, is entitled to an organization grant equal to $130 [$10] for every voter who voted in the borough or city incorporation election. However, each incorporated borough and each first class city incorporated or established by reclassification outside an organized borough is entitled to

(1) $125,000 for the fiscal year in which it was incorporated or reclassified;

(2) $125,000 for the next fiscal year; and

(3) $75,000 for the third fiscal year [AT LEAST $25,000].

* Sec. 13. AS 29.18 is amended by adding a new section to read:

Sec. 29.18.182. ASSESSMENT ROLL. (a) The Department of Community and Regional Affairs shall establish the initial assessment roll for a borough incorporated under this chapter. The initial assessment roll shall contain the information required by AS 29.53.100(a) and shall be sufficient for computing tax levies by the municipality and for computing the amount of local effort required by the municipality under AS 14.17.021(c)(3) and 14.17.071.

(b) In the preparation of the initial assessment roll, the De-

partment of Community and Regional Affairs may contract for the services of appraisers and others whose services are required to complete the initial assessment. When completed, the initial assessment roll shall be certified by the commissioner of community and regional affairs, and the completed assessment roll, together with all supporting information and materials prepared by the Department of Community and Regional Affairs shall be transmitted to the borough assembly.

(c) The Department of Community and Regional Affairs, to the extent appropriations are available for the purpose, shall continue to pay the costs of the services of a municipal assessor and related staff for three years after the completion of the initial assessment roll.

* Sec. 14. AS 29.18.182(a), added in sec. 13 of this Act, is amended to read:

(a) The Department of Community and Regional Affairs shall establish the initial assessment roll for a borough incorporated under this chapter. The initial assessment roll shall contain the information required by AS 29.53.100(a) and shall be sufficient for computing tax levies by the municipality [AND FOR COMPUTING THE AMOUNT OF LOCAL EFFORT REQUIRED BY THE MUNICIPALITY UNDER AS 14.17.021(c)(3) AND 14.17.071].

Sec. 15. Sections 1 - 11 of this Act take effect on the first day of the fiscal year for which $31,000,000 or more is appropriated and allowed by the governor for distribution to municipalities and other recipients under the provisions of this Act, or on July 1, 1983, whichever is earlier.

* Sec. 16. Sections 12 - 14 of this Act take effect July 1, 1980.

* Sec. 17. Sections 15 - 17 of this Act take effect immediately in accordance with AS 01.10.070(c).

Attachment 2

1. Delete (on page 17) Sec 11, subsection (a)(3).

2. Add the following to Sec. 4 (on p. 14):

Sec. 29.90.030 Minimum Entitlement Adjustment

(a) A municipality may not receive a total amount of money under AS 29.88, AS 29.89.010 and AS 29.90.020 which is less in proportion to the total amount appropriated and allocated under those sections than ninety percent (90%) of the percentage of its population to the total population of the State as determined by the Department of Labor.

(b) If the total amount that would be received by a municipality under AS 29.88, AS 29.89.010 and AS 29.90.020 would be less than as required by this section, the municipality shall receive an additional entitlement in an amount sufficient to comply with this section. In the case of boroughs that include cities which are eligible to receive funds under AS 29.88, AS 29.89 or AS 29.90.020, the funds to be received by the borough shall be deemed to include any amounts to be received by cities within the borough for purposes of this section.

(c) Amounts received by municipalities under this section are subject to proration in the manner provided by AS 29.90.010.

Keep as sep. account funded at 2.5 million

ESTIMATE OF ADDITIONAL FUNDING REQUIRED FOR PROPOSED AMENDMENT TO STATE REVENUE SHARING BILL

BOROUGHS/CITIES	POPULATION	% OF STATE POPULATION[a]	90% OF PREVIOUS COLUMN	$22,740,838 FUNDING LEVEL[b] AMOUNT	% OF STATE TOTAL	ADDITIONAL REQUIREMENT
Anchorage	197,788	47.70%	42.93%	9,190,667	36.02%	1,571,392
Fairbanks North Star Borough	60,227	14.52%	13.07%	1,678,050		
Fairbanks (including Military Annex)	36,457			1,569,393		
North Pole	461			51,024		
				3,298,467	14.50%	-0-
Kenai Peninsula Borough	24,611	5.94%	5.35%	362,211		
Homer	1,802			84,014		
Seward	2,279			112,874		
Kenai	5,364			359,645		
Soldotna	2,586			196,176		
Seldovia	612			37,660		
Kachemak	151			23,548		
				1,176,128	5.17%	40,934
Ketchikan Gateway Borough	11,990	2.89%	2.60%	283,420		
Ketchikan	7,928			494,067		
Saxman	272			22,788		
				800,275	3.52%	-0-
Kodiak Island Borough	7,901	1.91%	1.72%	160,848		
Kodiak	4,960			206,791		
Quzinkie	170			23,777		
Port Lions	227			24,346		
Larsen Bay	137			23,548		
Old Harbor	327			25,004		
Akhiok	102			24,857		
				489,171	2.15%	-0-

(a) Total Population for Revenue Sharing Applications 485,754
Cities within Boroughs -71,091
Total State Population 414,663

(b) Without MUSA; including hospital pass-thru funding

BOROUGHS/CITIES	POPULATION	% OF STATE POPULATION	90% OF PREVIOUS COLUMN	$22,740,838 FUNDING LEVEL AMOUNT	% OF STATE TOTAL	ADDITIONAL REQUIREMENT
Matanuska-Susitna Borough	16,724	4.03%	3.63%	824,136		
Palmer	1,859			137,634		
Houston	375			66,134		
Wasilla	1,566			114,200		
				1,142,104	5.02%	-0-
North Slope Borough	9,139	2.20%	1.98%	229,352		
Wainwright	341			29,298		
Anatuvuk	150			29,298		
Kaktovik	123			29,298		
Barrow	2,306			59,110		
Point Hope	384			29,298		
Nuiqsut	152			29,298		
				434,952	1.91%	15,919
Sitka	8,787	2.12%	1.91%	254,978	1.12%	179,652
Galena	898	0.22%	0.20%	33,844	0.15%	11,370
Kake	679	0.16%	0.14%	26,350	0.12%	4,548
Alaknuk	527	0.13%	0.12%	31,009	0.14%	-0-
Anderson	698	0.17%	0.15%	31,333	0.14%	2,274
Delta Junction	892	0.22%	0.20%	28,197	0.12%	18,193
Emmonak	545	0.13%	0.12%	29,826	0.13%	-0-
Hooper Bay	590	0.14%	0.13%	28,477	0.13%	-0-
Noorvik	527	0.13%	0.12%	30,194	0.13%	-0-
Selawik	521	0.13%	0.12%	29,298	0.13%	-0-
Valdez	7,483	1.80%	1.62%	136,868	0.60%	231,957
TOTAL ADDITIONAL REQUIREMENT						2,076,239

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 2, 1979

SUBJECT: Sectional Analysis of the Municipal League's Revenue Sharing Reform Proposal (Work Order No. 6162)

TO: Representative Terry Gardiner

FROM: John B. Chenoweth
Legislative Counsel

John Williams
Policy Analyst

In response to your request of the Legislative Council on July 21, 1978, we have participated with a special committee of the Alaska Municipal League in drafting a revenue sharing reform bill, which is now complete. The Board of Directors of the League approved the draft at its meeting in Juneau on January 19, 1979 (copy enclosed).

Following is a sectional analysis of the committee's product.

*Section 1. PURPOSE.

Three purposes are stated: (1) equity of allocation of state resources with municipalities; (2) basic support to municipalities for public services irrespective of physical location of taxable wealth; and (3) improvement of the administrative capacity of less populous municipalities.

*Section 2. CHAPTER 88.

This chapter contains the major revision of the revenue sharing program. In the most general terms, it provides for the computation and distribution of an "equalization entitlement" for local government services in accordance with a formula and schedules set out in the sections incorporated in the chapter.

Sec. 29.88.010 specifies the method that is utilized to distribute revenues under the chapter. Three factors are

applicable: population, revenue generation, and property value base.[1] The formula multiplies the population of the taxing unit[1] by the mill rate equivalent of allowed revenues[2] generated by the municipality. The sum of allowed revenues is divided by one-thousandth of the full and true taxable property value within the taxing jurisdiction. The resultant quotient is referred to as the "local effort" for the municipality: it is equal to the full and true mill rate equivalent of all allowed revenues generated by each municipality.

Sec. 29.88.015 specifies the means whereby population numbers shall be determined. Generally, Bureau of the Census data will be utilized; however, other reliable data in the judgment of the Department of Community and Regional Affairs may be used. The provision for population count is not unlike the provision of the current state aid program. Unlike the current program, however, no separate treatment is given the counting of persons who are residents of military reservations.

Sec. 29.88.020 describes the means whereby mill rate equivalent determinations will be made. Initially, a certified statement submitted by each municipality, on a form provided by the department, will specify the revenues generated in each municipality. This shall be accomplished by all municipalities by

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1/ A "taxing unit" is defined, for purposes of this program as "a city, borough, unified municipality, or service area or differential tax zone."

2/ Allowed revenues include tax revenues plus other revenues which will diminsh the necessity of incremental tax revenues, including inspection fees, permits, fines, penalties, use fees, and income from mass transit, offstreet parking, and recreation programs. Revenues not allowed for inclusion are tax revenues used to subsidize utilities commonly run by private businesses (as defined in sec. 45 of this chapter), interest on investments, income from the sale or lease of land or equipment, and revenues from any other source.

October 15. By December 15, the department is to make a final determination for each municipality, after reviewing all financial audits and statements submitted by the municipalities. Any adjustments made to the figures initially submitted by a municipality shall be reported to the municipality along with the revised figures.

Full and true property values shall be determined in the manner provided in AS 14.17.140 (state aid to education). In municipalities which are not school districts and thus not covered by the provisions of AS 14.17, the state assessor shall, at least once each three years, estimate the property value for all cities with populations of 750 or more. For cities which are not school districts, and which have populations less than 750, estimated property values will be determined by averaging the per capita property values of all cities having populations less than 750 and for which assessments are completed.

Sec. 29.88.025 specifies the necessary documentation that would be supplied to the department by each municipality in support of its application. The fiscal information is to be for the fiscal year which precedes the fiscal for which the entitlement is sought.

Sec. 29.88.030: As with present law, the bill provides for entitlements to be returned to the taxing unit for which the entitlement was earned. There are two exceptions: 15 percent of an area-wide entitlement may be used for non area-wide purposes, and, the local government may decide the taxing jurisdiction that is to receive the entitlement generated by non-tax revenues (fees, permits, etc).

Sec. 29.88.035 establishes the tax equalization account from which entitlements earned under this chapter will be paid. The total appropriation to the account is to be distributed by prorating entitlements.

Sec. 29.88.040 gives the department authority to adopt, amend and repeal regulations necessary to implement the chapter. The regulations would contain provisions for obtaining information, set filing dates, providing notification to municipalities with respect to changes made by the department with regard to any entitlement, and a reasonable time for a municipality to respond to decisions of the department. In response

to some specific complaints by several of the Municipal League representatives who worked on the draft, language has been inserted by which the department is directed to supply application assistance to municipalities. Additionally, the department is empowered to extend the definition of utilities (section 045 of this chapter) to cover additional enterprise activities for which no working classification has been provided by statute.

Sec. 29.88.045 defines terms used in the chapter, including 'taxing unit' and 'utilities'.

*Section 3. CHAPTER 89.

Chapter 89 is, in substance, a restatement of present law regarding entitlements earned for road maintenance, health facilities and hospitals, construction aid, and volunteer fire departments in the unorganized borough. The following changes have been made from present law: (1) public road maintenance entitlements are based on $2500/mile (present law is $1500/mile); (2) ice road maintenance is based on $1500/mile (present law is $900/mile); (3) construction aid for hospitals is not multiplied by the cost of living factor, as is the case in present law; and (4) municipalities which exercise a health power will not receive a $2 per capita distribution.

Generally, this portion of present law which is saved in the Municipal League's draft bill provides for health related entitlements according to the following: (1) for hospitals with 10 or more beds -- the greater of $1,000 per bed or $75,000 per facility, (2) for hospitals with fewer than 10 beds -- the greater of $1,000 per bed or $25,000 per facility; (3) for health facilities -- $1,000 per bed or $4,000 per facility; (4) the entire entitlement received for health purposes must be used for health purposes; (5) for hospitals which were begun after January 1, 1968, the greater of $2,500 per bed or 5 percent of the construction cost annually until the total payment equals 25 percent of the total construction cost; and (6) for volunteer fire departments in the unorganized borough, $7.50 per capita. Entitlements earned under this section (except for hospital construction) are multiplied by an area cost of living differential, determined under AS 39.27.030.

Section 29.89.040 establishes a miscellaneous services account, from which payments are made under this chapter.

*Section 4. CHAPTER 90.

Sec. 29.90.010 precludes an interpretation of the general administrative provisions of the state aid program to create of a debt to the state.

Sec. 29.90.020 directs the department to allocate funds from the two accounts established (AS 29.88.035 and AS 29.89.040) and further provides that any excess funds existing in the miscellaneous services account (Chapter 89) shall then be added to the tax equalization account (Chapter 88).

Subsection (b) describes the means for determining proration of funds allocated under the equalization formula of Chapter 88 and under the minimum entitlement provisions of AS 29.90.030. After the Chapter 88 and Chapter 89 entitlements have been determined, the amount necessary to guarantee the minimum entitlement provided for in Sec. 29.90.030 is calculated and all Chapter 88 municipal entitlements are proportionally reduced so that the sum of payments under Chapter 88 and under AS 29.90.030 equal the amount available in the tax equalization account.

Sec. 29.90.030 provides for payment of minimum entitlements. All municipalities are guaranteed a minimum of $25,000 (plus the cost of living allowance for their area) if (1) a regular election has been held; (2) regular council meetings have been conducted; (3) the municipality has adopted a budget; (4) local ordinances have been codified; and (5) some degree of municipal administration is provided for through a manager, clerk, or other part-time or full-time officer.

*Sections 5 - 9.

These sections make correlative changes in AS 29 required by the state aid program changes, and are generally self-explanatory.

*Section 10.

The section repeals the statutory basis of the present program of state aid to local governments.

*Section 11: "Hold Harmless"

Section 11 specifies that, for three years after this act becomes effective, no municipality will receive less than its actual entitlement earned in the last year that the present law is applied.

*Section 12

The section specifies that the act becomes effective when $27,000,000 is appropriated to the program, or July 1, 1982, whichever is earlier.

JBC:JW:jdn

Enclosure

person may be convicted for a violation of §§ 230 — 260 of this chapter unless it appears to the satisfaction of the court that the provisions of this section have been substantially complied with by the hospital. (§ 4 ch 40 SLA 1960)

Sec. 18.20.250. Receipt of services without intent to pay a misdemeanor. A person who requests and receives hospital care including board, room, surgical care, medical care, or related services or drugs or other medication, or any combination of them from a general hospital, with the intent not to pay the amount due and the amount which becomes due for one or more of the items or who obtains credit from a general hospital for the items by intentionally giving and furnishing false information as to name, address, employment or property unless the items furnished are fully paid for, is guilty of a misdemeanor, and upon conviction is punishable by imprisonment in a jail for not more than one year, or by a fine of not more than $1,000, or by both. (§ 2 ch 40 SLA 1960)

Sec. 18.20.260. Definitions. In §§ 230 — 260 of this chapter "general hospital" means a hospital which offers its services to the public and which receives all patients as they apply, to the extent its capacity and facilities permit and in accordance with the rules and regulations established by it. (§ 1 ch 40 SLA 1960)

Chapter 25. Assistance to Hospitals and Health Facilities.

Article
1. Construction and Equipment Aid to Nonprofit Hospitals (§§ 18.25.010 — 18.25.030)
2. Aid for Operation Deficits of Community Operated Nonprofit Hospitals and Clinics (§§ 18.25.040 — 18.25.060)
3. Assistance for Community Health Facilities (§§ 18.25.070 — 18.25.110)
4. General Provisions (§ 18.25.120)

Article 1. Construction and Equipment Aid to Nonprofit Hospitals.

Section
10. Department to render aid
20. Determination of necessity
30. Intent

Sec. 18.25.010. Department to render aid. The department may facilitate the purchase, construction and repair of, and obtain necessary equipment for, nonprofit hospitals operated by municipalities, communities and associations in the state. (§ 1 ch 81 SLA 1949; am § 1 ch 107 SLA 1953)

Sec. 18.25.020. Determination of necessity. The department shall initiate appropriate action under §§ 10 — 30 of this chapter when it determines which projects are of most immediate necessity, and shall allot money to the municipalities, communities and associations on a

matching basis, or in accordance with their financial ability and urgency of the need. (§ 2 ch 81 SLA 1949; am § 2 ch 107 SLA 1953)

Sec. 18.25.030. Intent. It is the intent of §§ 10 — 30 of this chapter to provide financial aid to municipalities, communities and associations for which an attempt at complete financing by themselves of a necessary project would entail great hardship. It is also intended that the department utilize the money authorized under §§ 10 — 30 of this chapter so far as can be arranged to assist the municipalities, communities and associations in matching funds with the federal government under applicable federal law for hospital assistance. (§ 3 ch 81 SLA 1949; am § 3 ch 107 SLA 1953)

Article 2. Aid for Operation Deficits of Community Operated Nonprofit Hospitals and Clinics.

Section
40. Department to render aid
50. Determination of necessity
60. Intent

Sec. 18.25.040. Department to render aid. The department may assist in cases of operational deficits of community operated nonprofit hospitals and clinics in the state. (§ 1 ch 96 SLA 1949)

Sec. 18.25.050. Determination of necessity. The department shall initiate appropriate action in accordance with the provisions of §§ 40 — 60 of this chapter as soon as the department determines which projects are of most immediate necessity. (§ 2 ch 96 SLA 1949)

Sec. 18.25.060. Intent. It is the intent of §§ 40 — 60 of this chapter to provide financial aid, or funds to match available federal funds to aid localities or municipalities whose taxable values are limited in scope and for whom an attempt at community financing of a community operated nonprofit hospital or clinic would entail insurmountable hardship. (§ 3 ch 96 SLA 1949)

Article 3. Assistance for Community Health Facilities.

Section
70. Department to render assistance
80. Intent and purpose
90. Use of purchases
100. Regulations authorized
110. Report to legislature of grants made

Sec. 18.25.070. Department to render assistance. The department may assist in the purchase, construction, repair, and equipping of facilities to improve and protect community health, and may provide financial assistance for the operation of the facilities in case of operational deficits. (§ 1 ch 117 SLA 1951)

Sec. 18.25.080. Intent and purpose. It is the intent of §§ 70 — 110 of this chapter to assist communities and areas in developing and improving health service facilities by the purchase, construction,

renovation, or establishment of hospitals, health centers, or clinics, or quarters for personnel, and the purchase of furnishings, supplies and equipment and making the other expenditures necessary to carry out the purpose of §§ 70 — 110 of this chapter. Assistance is to be given in areas which would otherwise be denied adequate facilities, because the taxable values are limited in scope and an attempt at total community financing of a project would cause hardship or prevent its realization. It is also intended that the department utilize the money authorized under §§ 70 — 110 of this chapter so far as can be arranged to assist municipalities in matching funds with the federal government under federal law. (§ 2 ch 117 SLA 1951)

Sec. 18.25.090. Use of purchases. Purchases under §§ 70 — 110 of this chapter are to be used for the purpose for which appropriated and when the purpose is discontinued the items shall be returned to the department for use elsewhere. (§ 3 ch 117 SLA 1951)

Sec. 18.25.100. Regulations authorized. The department shall adopt rules and regulations for

(1) the establishment of criteria, minimum requirements and standards for assistance to communities under §§ 70 — 110 of this chapter;

(2) the establishment of the fiscal and accounting procedures and controls considered necessary for the payment of grants;

(3) the compilation of data and information from the communities concerned which will support the need for assistance under §§ 70 — 110 of this chapter;

(4) the establishment of procedures by which communities may apply for assistance;

(5) accepting financial or other assistance from the federal government under federal law to carry out the purpose of §§ 70 — 110 of this chapter through matching funds or grants;

(6) cooperation and coordination with other state boards, departments or agencies engaged in construction programs in areas applying for assistance under §§ 70 — 110 of this chapter. (§ 4 ch 117 SLA 1951)

Sec. 18.25.110. Report to legislature of grants made. Within 10 days of the convening of each legislative session, the department shall submit a report of grants made under §§ 70—110 of this chapter. (§ 5 ch 117 SLA 1951)

Article 4. General Provisions.

Section
120. Definitions

Sec. 18.25.120. Definitions. In this chapter "department" means the Department of Health and Social Services. (am § 6 ch 104 SLA 1971)

Effect of amendment. — The 1971 amendment substituted "Department of Health and Social Services" for "Department of Health and Welfare."

Chapter 30. Air Pollution.

Section
05—250. [Repealed]

Secs. 18.30.005—18.30.250.
Repealed by § 4 ch 120 SLA 1971.

Editor's note. — The repealed chapter derived from § 2, ch. 86, SLA 1969; § 6, ch. 104, SLA 1971.

Section 5, ch. 120, SLA 1971, provides: "All litigation, hearings, investigations and other proceedings pending under any law amended or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding any such transfer or amendment provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of a law amended by this Act or functions which may be transferred by this Act, remain in effect for the term issued, unless or until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by any law amended by this Act or by virtue of functions which may be transferred by this Act, and in effect on July 1, 1971, remain in effect unless or until revoked, or modified under the provisions of this Act."

Legislative committee report. — For report on ch. 120, SLA 1971 (SB 75 am H), see 1971 House Journal, p. 1016.

Chapter 33. Pesticides Control Board.

Section
10—100. [Repealed]

Secs. 18.33.010—18.33.100.
Repealed by § 4 ch 120 SLA 1971.

Editor's note. — The repealed chapter derived from § 1, ch. 166, SLA 1970.

Section 5, ch. 120, SLA 1971, provides: "All litigation, hearings, investigations and other proceedings pending under any law amended or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding any such transfer or amendment provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of a law amended by this Act or functions which may be transferred by this Act, remain in effect for the term issued, unless or until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by any law amended by this Act or by virtue of functions which may be transferred by this Act, and in effect on July 1, 1971, remain in effect unless or until revoked, or modified under the provisions of this Act."

Legislative committee report. — For report on ch. 120, SLA 1971 (SB 75 am H), see 1971 House Journal, p. 1016.

Chapter 35. Public Accommodations and Facilities.

Article
1. Tourist and Trailer Camps, Motor Courts and Motels (§§ 18.35.010 — 18.35.090)
2. Restaurants and Taverns (§§ 18.35.100—18.35.120)
3. Facilities and Special Events Open to General Public (§§ 18.35.200 — 18.35.230)

Article 1. Tourist and Trailer Camps, Motor Courts and Motels.

Section
10. Purpose.
20. Administration of laws and regulations
30. Regulations
40. Permits
50. Maintaining accommodations without permit or after suspension of permit a misdemeanor
60. Unlawful disposal of wastes
70. Posting laws and regulations
80. Penalty for noncompliance
90. Definitions

PREPAREDED BY:
House Research Agency

HB 192

PERCENTAGE BREAKDOWN OF REVENUE SHARING ENTITLEMENTS INCLUDING MUSA REVENUES

LOCAL GOVT	INCLUDING MUSA-EXCLUDING HEALTH & HOSPITAL (TOTAL=$18,740,838) ENTITLEMENT	PERCENTAGE	INCLUDING MUSA-EXCLUDING HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE	EXCLUDING MUSA & HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE	INCLUDING MUSA & HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE	EXCLUDING MUSA-INCLUDING HEALTH & HOSPITAL (TOTAL=$30,000,000) ENTITLEMENT	PERCENTAGE
BOROUGHS AND SERVICE AREAS										
1 ANCHORAGE A.M.	$3,047,590	16.26%	$5,953,002	19.84%	$5,804,411	19.64%	$10,068,405	33.56%	$10,036,623	33.45%
2 CITY S.A.	$204,202	1.08%	$398,877	1.32%	$405,933	1.35%	$227,306	0.75%	$231,494	0.77%
3 EAGLE RIVER	$21,767	0.11%	$42,520	0.14%	$43,299	0.14%	$24,240	0.08%	$24,746	0.08%
4 GIRDWOOD	$4,624	0.02%	$9,032	0.03%	$9,219	0.03%	$5,149	0.01%	$5,256	0.01%
5 GIRDWOOD	$918	0.00%	$1,794	0.00%	$1,832	0.00%	$1,023	0.00%	$1,044	0.00%
6 GLEN ALPS	$62	0.00%	$122	0.00%	$124	0.00%	$69	0.00%	$71	0.00%
7 FIRE S.A.	$521,997	2.78%	$1,019,642	3.39%	$1,006,928	3.35%	$581,288	1.93%	$574,142	1.91%
8 ROADS & DRAINAGE	$1,405,044	7.49%	$1,828,694	5.09%	$1,817,596	6.05%	$1,459,127	4.86%	$1,453,003	4.84%
9 POLICE S.A.	$739,718	3.94%	$1,444,927	4.81%	$1,429,240	4.76%	$823,738	2.74%	$814,941	2.71%
10 PARKS & REC.	$209,273	1.11%	$408,783	1.36%	$404,405	1.34%	$233,043	0.77%	$230,588	0.76%
11 P & R/GIRDWOOD	$13,228	0.07%	$25,829	0.08%	$26,374	0.08%	$14,730	0.04%	$15,038	0.05%
12 SOLID WASTE S.A.	$50,552	0.26%	$98,745	0.32%	$96,622	0.32%	$56,293	0.18%	$55,093	0.18%
13 GIRDWOOD/SOLID WASTE	$1,650	0.00%	$3,223	0.01%	$3,289	0.01%	$1,837	0.00%	$1,875	0.00%
14 BUILDING SAFETY	$77,037	0.41%	$150,481	0.50%	$153,595	0.51%	$85,788	0.28%	$87,578	0.29%
15 SPECIAL ASSESSMENT	$118,475	0.63%	$187,172	0.62%	$190,076	0.63%	$126,834	0.42%	$128,510	0.42%
	$6,416,144	34.23%	$11,572,859	38.57%	$11,483,110	38.27%	$13,708,967	45.69%	$13,660,010	45.53%
16 BRISTOL BAY BOROUGH	$92,192	0.49%	$166,941	0.55%	$170,107	0.56%	$101,149	0.33%	$102,972	0.34%
17 SOUTH NAKNEK S.A.	$561	0.00%	$1,096	0.00%	$1,119	0.00%	$625	0.00%	$638	0.00%
	$92,753	0.49%	$168,038	0.56%	$171,227	0.57%	$101,775	0.33%	$103,610	0.34%
18 FAIRBANKS BOROUGH	$1,157,056	6.17%	$2,132,840	7.10%	$2,174,182	7.24%	$1,273,815	4.24%	$1,297,607	4.32%
19 DALLAIRE LAKE	$1,194	0.00%	$1,494	0.00%	$1,506	0.00%	$1,233	0.00%	$1,241	0.00%
20 DIANE	$4,726	0.02%	$4,898	0.01%	$4,905	0.01%	$4,763	0.01%	$4,768	0.01%
21 MELDVIEW ACRES	$24,387	0.13%	$24,562	0.08%	$24,566	0.08%	$24,499	0.08%	$24,504	0.08%
22 SMITH RANCH	$10,439	0.05%	$13,187	0.04%	$13,303	0.04%	$10,795	0.03%	$10,862	0.03%
23 ENGINEER CREEK	$546	0.00%	$1,068	0.00%	$1,090	0.00%	$609	0.00%	$621	0.00%
24 ESTER LUMP	$5,920	0.03%	$5,959	0.01%	$5,959	0.01%	$5,947	0.01%	$5,948	0.01%
25 NORTH STAR F.P.	$14,091	0.07%	$27,525	0.09%	$28,034	0.09%	$15,691	0.05%	$16,019	0.05%
26 BECKER RIDGE	$19,105	0.10%	$19,526	0.06%	$19,541	0.06%	$19,226	0.06%	$19,236	0.06%
27 UNIVERSITY F.P.	$33,705	0.17%	$65,838	0.21%	$67,200	0.22%	$37,593	0.12%	$38,317	0.12%
28 FARMERY HILL	$9,412	0.05%	$10,829	0.03%	$10,887	0.03%	$9,610	0.03%	$9,645	0.03%
29 SPRUCE ACRES	$1,881	0.01%	$1,968	0.00%	$1,971	0.00%	$1,898	0.00%	$1,900	0.00%
	$1,282,468	6.84%	$2,309,699	7.69%	$2,353,209	7.84%	$1,405,625	4.68%	$1,430,673	4.76%
30 HAINES BOROUGH	$22,629	0.12%	$35,002	0.11%	$35,308	0.11%	$23,387	0.07%	$23,393	0.07%
31 JUNEAU BOROUGH A.M.	$776,388	4.14%	$1,516,517	5.05%	$1,547,893	5.15%	$1,051,976	3.50%	$1,070,050	3.56%
32 S.A. 1	$188,793	1.00%	$335,247	1.11%	$341,450	1.13%	$208,385	0.68%	$209,937	0.69%
33 S.A. 2	$22,798	0.12%	$33,135	0.11%	$33,571	0.11%	$24,075	0.08%	$24,327	0.08%
34 S.A. 3	$94,549	0.50%	$100,576	0.33%	$100,819	0.33%	$95,595	0.31%	$95,744	0.31%
35 S.A. 4	$4,334	0.02%	$8,564	0.02%	$8,741	0.02%	$4,882	0.01%	$4,934	0.01%
36 S.A. 5	$31,874	0.17%	$62,261	0.20%	$63,549	0.21%	$35,494	0.11%	$36,235	0.12%
37 S.A. 6	$1,660	0.00%	$3,243	0.01%	$3,310	0.01%	$1,849	0.00%	$1,887	0.00%
38 S.A. 7	$506	0.00%	$990	0.00%	$1,010	0.00%	$564	0.00%	$576	0.00%
39 S.A. 8	$477	0.00%	$933	0.00%	$952	0.00%	$532	0.00%	$543	0.00%
	$1,121,400	5.98%	$2,061,442	6.87%	$2,101,300	7.00%	$1,421,335	4.73%	$1,444,286	4.81%

40 KENAI PENINSULA BOROUGH	$228,848	1.22%	$447,020	1.49%	$456,269	1.52%	$254,842	0.84%	$260,161	0.86%
41 CENTRAL HOSPITAL	$6,659	0.03%	$13,009	0.04%	$13,278	0.04%	$7,416	0.02%	$7,571	0.02%
42 SOUTH HOSPITAL	$12,044	0.06%	$23,527	0.07%	$24,013	0.08%	$88,277	0.29%	$88,568	0.29%
43 NIKISKI F.P.	$7,201	0.03%	$14,066	0.04%	$14,357	0.04%	$8,019	0.02%	$8,186	0.02%
44 NORTH KENAI REC.	$5,046	0.02%	$9,858	0.03%	$10,062	0.03%	$5,620	0.01%	$5,737	0.01%
45 BEAR CREEK F.P.	$5,216	0.02%	$10,190	0.03%	$10,401	0.03%	$5,809	0.01%	$5,930	0.01%
	$265,017	1.41%	$517,671	1.72%	$528,382	1.76%	$369,984	1.23%	$376,155	1.25%
46 KETCHIKAN BOROUGH	$205,709	1.09%	$401,821	1.33%	$410,135	1.36%	$229,074	0.76%	$233,856	0.77%
47 SHORELINE S.A.	$1,660	0.00%	$3,243	0.01%	$3,310	0.01%	$1,848	0.00%	$1,887	0.00%
	$207,369	1.10%	$405,064	1.35%	$413,445	1.37%	$230,923	0.76%	$235,743	0.78%
48 KODIAK ISLAND BOROUGH	$81,628	0.43%	$159,449	0.53%	$162,748	0.54%	$236,837	0.78%	$238,756	0.79%
49 FIRE DISTRICT 1	$4,277	0.02%	$8,356	0.02%	$8,529	0.02%	$4,763	0.01%	$4,863	0.01%
50 ROAD DISTRICT	$42,410	0.22%	$44,866	0.14%	$44,963	0.14%	$42,852	0.14%	$42,913	0.14%
	$128,316	0.68%	$212,671	0.70%	$216,240	0.72%	$284,453	0.94%	$286,533	0.95%
51 MAT-SU BOROUGH	$705,553	3.76%	$949,789	3.16%	$960,063	3.20%	$736,339	2.45%	$742,303	2.47%
52 WASILLA F.P.	$3,378	0.01%	$6,599	0.02%	$6,736	0.02%	$3,762	0.01%	$3,840	0.01%
53 BUTTE F.P.	$2,094	0.01%	$4,080	0.01%	$4,175	0.01%	$2,332	0.00%	$2,380	0.00%
54 GREATER PALMER F.P.	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
55 SUTTON F.P.	$1,651	0.00%	$3,225	0.01%	$3,292	0.01%	$1,839	0.00%	$1,877	0.00%
56 MAT AREA-WIDE	$8,750	0.04%	$17,093	0.05%	$17,447	0.05%	$9,744	0.03%	$9,948	0.03%
57 TALKEETNA FLOOD S.A.	$943	0.00%	$1,842	0.00%	$1,880	0.00%	$1,050	0.00%	$1,072	0.00%
58 GARDEN TERRACE	$532	0.00%	$1,039	0.00%	$1,061	0.00%	$592	0.00%	$605	0.00%
	$722,903	3.85%	$983,681	3.27%	$994,657	3.31%	$755,661	2.51%	$762,028	2.54%
59 NORTH SLOPE BOROUGH	$202,255	1.07%	$296,138	0.98%	$300,736	1.00%	$237,974	0.79%	$240,633	0.80%
60 SITKA BOROUGH	$233,203	1.24%	$346,639	1.15%	$352,953	1.17%	$318,752	1.06%	$318,801	1.06%
FIRST CLASS CITIES										
61 BARROW	$43,249	0.23%	$84,481	0.28%	$86,229	0.28%	$48,161	0.16%	$49,167	0.16%
62 CORDOVA	$131,879	0.70%	$235,127	0.78%	$239,499	0.79%	$244,139	0.81%	$246,672	0.82%
63 CRAIG	$37,228	0.19%	$62,121	0.20%	$63,175	0.21%	$44,228	0.14%	$44,836	0.14%
64 DILLINGHAM	$66,974	0.35%	$110,575	0.36%	$112,420	0.37%	$72,248	0.24%	$73,312	0.24%
65 FAIRBANKS	$1,291,217	6.88%	$2,287,083	7.62%	$2,175,468	7.25%	$3,010,053	10.03%	$2,946,893	9.82%
66 GALENA	$33,705	0.17%	$33,889	0.11%	$33,891	0.11%	$37,867	0.12%	$37,873	0.12%
67 HAINES	$70,367	0.37%	$111,020	0.37%	$1 2,739	0.37%	$75,315	0.25%	$76,306	0.25%
68 HOMER	$69,145	0.36%	$107,875	0.35%	$109,518	0.36%	$82,325	0.27%	$83,274	0.27%
69 HOONAH	$32,470	0.17%	$51,649	0.17%	$52,496	0.17%	$42,636	0.14%	$43,125	0.14%
70 HYDABURG	$22,253	0.11%	$21,456	0.07%	$23,458	0.07%	$23,281	0.07%	$23,286	0.07%
71 KAKE	$23,285	0.12%	$33,596	0.11%	$34,035	0.11%	$23,789	0.07%	$23,794	0.07%
72 KENAI	$294,837	1.57%	$462,677	1.54%	$469,771	1.56%	$315,280	1.05%	$319,375	1.06%
73 KETCHIKAN	$372,435	1.98%	$688,401	2.29%	$701,789	2.33%	$522,033	1.74%	$529,754	1.76%
74 KING COVE	$20,576	0.14%	$31,340	0.10%	$31,988	0.10%	$28,112	0.09%	$28,119	0.09%
75 KLAWOCK	$21,692	0.11%	$23,126	0.07%	$23,128	0.07%	$22,808	0.07%	$22,813	0.07%
76 KODIAK	$163,251	0.87%	$278,701	0.92%	$283,654	0.94%	$175,791	0.58%	$178,644	0.59%
77 NENANA	$58,411	0.31%	$79,563	0.26%	$80,453	0.26%	$61,067	0.20%	$61,584	0.20%
78 NOME	$176,075	0.93%	$307,877	1.02%	$313,457	1.04%	$308,734	1.02%	$311,986	1.03%
79 NORTH POLE	$45,459	0.24%	$59,754	0.19%	$60,385	0.20%	$47,278	0.15%	$47,627	0.15%
80 PALMER	$113,962	0.60%	$175,265	0.58%	$177,856	0.59%	$199,107	0.66%	$200,615	0.66%
81 PELICAN	$24,078	0.12%	$24,719	0.08%	$24,721	0.08%	$24,315	0.08%	$24,321	0.08%
82 PETERSBURG	$149,758	0.79%	$270,100	0.90%	$275,198	0.91%	$250,142	0.83%	$253,090	0.84%
83 SAND POINT	$41,199	0.21%	$56,689	0.18%	$57,342	0.19%	$48,179	0.16%	$48,598	0.16%
84 SAINT MARY'S	$46,666	0.24%	$52,101	0.17%	$52,694	0.17%	$52,648	0.17%	$52,792	0.17%
85 SELDOVIA	$32,146	0.17%	$46,383	0.15%	$46,909	0.15%	$38,200	0.12%	$38,548	0.12%
86 SEWARD	$100,972	0.53%	$150,789	0.50%	$142,155	0.47%	$260,508	0.86%	$255,655	0.85%
87 SKAGWAY	$46,771	0.24%	$67,309	0.22%	$68,179	0.22%	$53,605	0.17%	$54,107	0.18%
88 SOLDOTNA	$161,365	0.86%	$250,677	0.83%	$254,430	0.84%	$172,713	0.57%	$174,880	0.58%
89 VALDEZ	$178,213	0.94%	$229,971	0.75%			$195,670	0.65%	$196,885	0.65%

90 VALLEY	$136,306	0.72%	$137,052	0.45%	$137,060	0.45%	$214,544	0.71%	$214,576	0.71%
91 ZONE I	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
92 ZONE II	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
	$136,306	0.72%	$137,052	0.45%	$137,060	0.45%	$214,544	0.71%	$214,576	0.71%
93 WRANGELL	$152,017	0.81%	$273,738	0.93%	$285,150	0.95%	$249,116	0.83%	$252,242	0.84%
94 ZONE II	$16,131	0.08%	$31,510	0.10%	$32,162	0.10%	$17,963	0.05%	$18,338	0.06%
96 ZONE IV	$57,947	0.30%	$113,192	0.37%	$115,534	0.38%	$64,529	0.21%	$65,876	0.21%
	$226,095	1.20%	$424,441	1.41%	$432,846	1.44%	$331,609	1.10%	$336,456	1.12%
97 YAKUTAT	$23,980	0.12%	$25,460	0.08%	$25,803	0.08%	$25,075	0.08%	$25,080	0.08%
SECOND CLASS CITIES										
98 AKIOK	$24,261	0.12%	$25,415	0.08%	$25,417	0.08%	$24,762	0.08%	$24,768	0.08%
99 AKIACHAK	$31,017	0.16%	$31,721	0.10%	$31,727	0.10%	$32,262	0.10%	$32,267	0.10%
100 AKIAK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
101 AKUNIUT	$86,724	0.46%	$87,199	0.29%	$87,204	0.29%	$97,486	0.32%	$97,501	0.32%
102 ALAKANUK	$30,593	0.16%	$31,431	0.10%	$31,433	0.10%	$31,609	0.10%	$31,615	0.10%
103 ALEKNAGIK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
104 ALLAKAKET	$29,536	0.15%	$31,733	0.10%	$31,295	0.10%	$30,938	0.10%	$30,944	0.10%
105 AMBLER	$30,805	0.16%	$31,985	0.10%	$31,988	0.10%	$32,016	0.10%	$32,022	0.10%
106 ANAKTUVUK PASS	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
107 ANDERSON	$30,693	0.16%	$31,920	0.10%	$31,922	0.10%	$31,237	0.10%	$31,243	0.10%
108 ANGOON	$23,879	0.12%	$24,802	0.08%	$24,803	0.08%	$24,821	0.08%	$24,826	0.08%
109 ANIAK	$37,883	0.20%	$38,091	0.12%	$38,093	0.12%	$43,390	0.14%	$43,397	0.14%
110 ANVIK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
111 ATMAUTLUAK	$31,806	0.16%	$32,186	0.10%	$32,188	0.10%	$34,387	0.11%	$34,393	0.11%
112 BETHEL	$222,540	1.18%	$315,265	1.05%	$319,173	1.06%	$302,834	1.00%	$305,107	1.01%
113 BREVIG MISSION	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
114 BUCKLAND	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%
115 CHEFTERNAK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
116 CHEVAK	$27,612	0.14%	$29,719	0.09%	$29,721	0.09%	$29,155	0.09%	$29,162	0.09%
117 CHUATHBALUK	$30,490	0.16%	$31,800	0.10%	$31,802	0.10%	$31,751	0.10%	$31,757	0.10%
118 CLARK'S POINT	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
119 DELTA JUNCTION	$27,957	0.14%	$28,367	0.09%	$28,368	0.09%	$29,243	0.09%	$29,247	0.09%
120 DIOMEDE	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$28,112	0.09%	$28,119	0.09%
121 EAGLE	$25,238	0.13%	$26,767	0.08%	$26,769	0.08%	$26,887	0.08%	$25,893	0.08%
122 EEK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
123 EKUK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
124 ELIM	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
125 EMMONAK	$29,048	0.15%	$30,563	0.10%	$30,565	0.10%	$30,365	0.10%	$30,372	0.10%
126 FORT YUKON	$51,110	0.27%	$51,389	0.17%	$51,392	0.17%	$56,674	0.18%	$56,68	0.18%
127 FORTUNA LEDGE	$29,709	0.15%	$30,952	0.10%	$30,954	0.10%	$30,923	0.10%	$30,929	0.10%
128 GAMBELL	$30,819	0.16%	$31,605	0.10%	$31,607	0.10%	$31,193	0.10%	$31,199	0.10%
129 GOLOVIN	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
130 GOODNEWS BAY	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
131 GRAYLING	$29,779	0.15%	$31,382	0.10%	$31,384	0.10%	$30,467	0.10%	$30,473	0.10%
132 HOLY CROSS	$30,185	0.16%	$31,621	0.10%	$31,623	0.10%	$31,494	0.10%	$31,500	0.10%
133 HOOPER BAY	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
134 HUGHES	$65,862	0.35%	$66,202	0.22%	$66,206	0.22%	$66,151	0.22%	$66,161	0.22%
135 HUSLIA	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
136 IGIUGIG	$59,052	0.31%	$59,375	0.19%	$59,379	0.19%	$64,651	0.21%	$64,661	0.21%
137 KAGLEMAK	$22,629	0.12%	$24,456	0.08%	$24,457	0.08%	$21,387	0.07%	$21,393	0.07%
138 KAKTOVIK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
139 KALTAG	$29,170	0.15%	$31,024	0.10%	$31,026	0.10%	$29,953	0.09%	$29,960	0.09%
140 KASAAN	$21,050	0.11%	$22,740	0.07%	$22,750	0.07%	$22,267	0.07%	$22,272	0.07%
141 KIANA	$29,688	0.15%	$31,328	0.10%	$31,331	0.10%	$31,074	0.10%	$31,081	0.10%
142 KIVALINA	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%
143 KOBUK	$30,185	0.16%	$31,621	0.10%	$31,623	0.10%	$31,494	0.10%	$31,500	0.10%
144 KOLIGK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
145 KOTZEBUE	$116,628	0.62%	$172,314	0.57%	$173,664	0.58%	$124,481	0.41%	$124,340	0.41%
146 KOYUK	$27,657	0.14%	$29,765	0.09%	$29,767	0.09%	$29,192	0.09%	$29,199	0.09%
147 KOYUKUK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%

149 KWETHLUK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
150 LARSEN BAY	$22,629	0.12%	$24,455	0.08%	$24,457	0.08%	$23,387	0.07%	$23,393	0.07%
151 LOWER KALSKAG	$88,395	0.47%	$88,879	0.29%	$88,884	0.29%	$94,123	0.31%	$94,138	0.31%
152 MANOKOTAK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$28,112	0.09%	$28,119	0.09%
153 MCGRATH	$32,109	0.17%	$32,753	0.10%	$32,755	0.10%	$33,116	0.11%	$33,121	0.11%
154 MEKORYUK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
155 MOUNTAIN VILLAGE	$46,188	0.24%	$46,441	0.15%	$46,444	0.15%	$51,581	0.17%	$51,589	0.17%
156 NAPAKIAK	$28,589	0.15%	$30,293	0.10%	$30,295	0.10%	$29,979	0.09%	$29,985	0.09%
157 NAPASKIAK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$29,075	0.09%	$29,082	0.09%
158 NEWHALEN	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
159 NEW STUYAHOK	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$28,112	0.09%	$28,119	0.09%
160 NEWTOK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
161 NIGHTMUTE	$27,859	0.14%	$29,864	0.09%	$29,866	0.09%	$28,697	0.09%	$28,705	0.09%
162 NIKOLAI	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
163 NONDALTON	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
164 NOORVIK	$29,272	0.15%	$31,084	0.10%	$31,086	0.10%	$30,039	0.10%	$30,046	0.10%
165 NULATO	$30,236	0.16%	$31,651	0.10%	$31,653	0.10%	$31,537	0.10%	$31,543	0.10%
166 NUNIGSUT	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
167 OLD HARBOR	$24,445	0.13%	$25,523	0.08%	$25,525	0.08%	$24,917	0.08%	$24,922	0.08%
168 OUZINKIE	$22,915	0.12%	$24,623	0.08%	$24,625	0.08%	$23,027	0.07%	$23,033	0.07%
169 PILOT STATION	$28,352	0.15%	$30,154	0.10%	$30,156	0.10%	$29,113	0.09%	$29,120	0.09%
170 PLATINUM	$41,666	0.22%	$41,894	0.13%	$41,897	0.13%	$41,849	0.13%	$41,855	0.13%
171 POINT HOPE	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
172 PORT ALEXANDER	$21,840	0.11%	$23,602	0.07%	$23,604	0.07%	$22,571	0.07%	$22,577	0.07%
173 PORT HEIDEN	$83,430	0.44%	$83,805	0.27%	$83,900	0.27%	$88,846	0.29%	$88,859	0.28%
174 PORT LIONS	$23,625	0.12%	$25,041	0.08%	$25,042	0.08%	$24,226	0.08%	$24,231	0.08%
175 QUINHAGAK	$27,982	0.14%	$29,936	0.09%	$29,939	0.09%	$29,467	0.09%	$29,474	0.09%
176 RUBY	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
177 RUSSIAN MISSION	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
178 SAINT MICHAEL	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
179 SAINT PAUL	$117,630	0.62%	$118,274	0.39%	$118,281	0.39%	$118,146	0.37%	$118,164	0.39%
180 SAVOONGA	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
181 SAYMAN	$22,151	0.11%	$23,395	0.07%	$23,398	0.07%	$22,683	0.07%	$22,688	0.07%
182 SCAMMON BAY	$27,982	0.14%	$29,936	0.09%	$29,939	0.09%	$29,467	0.09%	$29,474	0.09%
183 SELAWIK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
184 SHAGELUK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
185 SHAKTOOLIK	$46,188	0.24%	$46,441	0.15%	$46,444	0.15%	$51,581	0.17%	$51,589	0.17%
186 SHELDON POINT	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,282	0.09%	$28,289	0.09%
187 SHISHMAREF	$28,342	0.15%	$30,148	0.10%	$30,150	0.10%	$29,771	0.09%	$29,777	0.09%
188 SHUNGNAK	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%
189 STEBBINS	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
190 TANANA	$36,720	0.19%	$36,921	0.12%	$36,923	0.12%	$36,881	0.12%	$36,887	0.12%
191 TELLER	$28,693	0.15%	$30,354	0.10%	$30,356	0.10%	$30,066	0.10%	$30,072	0.10%
192 TENAKEE SPRINGS	$22,233	0.11%	$23,833	0.07%	$23,835	0.07%	$22,903	0.07%	$22,908	0.07%
193 TOGIAK	$28,972	0.15%	$30,130	0.10%	$30,132	0.10%	$29,485	0.09%	$29,491	0.09%
194 TOKSOOK BAY	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
195 TULUKSAK	$44,573	0.23%	$44,817	0.14%	$44,820	0.14%	$49,959	0.16%	$49,967	0.16%
196 TUNUNAK	$27,366	0.14%	$29,573	0.09%	$29,576	0.09%	$28,947	0.09%	$28,954	0.09%
197 UNALAKLEET	$31,914	0.17%	$32,250	0.10%	$32,252	0.10%	$35,101	0.11%	$35,107	0.11%
198 UPPER KALSKAG	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
199 WAINWRIGHT	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,097	0.09%	$29,105	0.09%
200 WALES	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
201 WASILLA	$113,731	0.60%	$114,353	0.38%	$114,360	0.38%	$114,230	0.38%	$114,247	0.38%
202 WHITE MOUNTAIN	$26,576	0.14%	$28,720	0.09%	$28,723	0.09%	$27,466	0.09%	$27,473	0.09%
203 WHITTIER	$30,001	0.16%	$30,165	0.10%	$30,167	0.10%	$34,724	0.11%	$34,730	0.11%
204 WILLOW	$28,155	0.15%	$30,427	0.10%	$30,429	0.10%	$29,782	0.09%	$29,789	0.09%
205 EXT FIRE AREAS	$21,050	0.11%	$22,749	0.07%	$22,750	0.07%	$69,320	0.23%	$69,331	0.23%
	$18,740,838		$30,000,000		$30,000,000		$30,000,000		$30,000,000	

#CG#

02136 NL ANCHORAGE ALASKA 112 04-30 236P ADT

PMS SENATOR PETE MELAND

JUNEAU AK

REQUEST YOU CONSIDER AMENDING SECTION II OF CS4 HB192 ON PAGE TWO TO READ AS FOLLOWS

R EQUALS MILLAGE RATE EQUIVALENT DETERMINED BY DIVIDING THE SUM OF A LOCALLY GENERATED REVENUE OF THE TAXING UNITS BY ONE TENTH OF ONE PERCENT. (0-1) OF THE FULL AND TRUE VALUE OF ASSESSED PROPERTY OF THE TAXING UNIT DETERMINED UNDER AS29.88.020(D) PROVIDED (1) THE PROPERTY VALUE USED UNDER THIS SUBSECTION MAY NOT BE LESS THAN 15 PERCENT OF THE STATEWIDE AVERAGE PER CAPITA FULL AND TRUE ASSESSED PROPERTY VALUE AND (2) THE MILLAGE RATE EQUIVALENT OF A TAXING UNIT SHALL NOT BE LESS THAN THE AVERAGE OF THE EQUIVALENT OF ALL TAXING UNITS.

CITY AND BOROUGH OF SITKA

ROCKY GUTIERREZ ADMINISTRATOR

TELEGRAM
ALASCOM INC.
PHONE: 586-0442
JUNEAU, AK 99802

The above citations were referred to the Chief Clerk for enrollment.

Messages dated April 18 and April 19, 1980 were read stating the Senate has passed the following and they are transmitted for consideration:

FIRST READING AND REFERENCE OF SENATE RESOLUTIONS

SENATE JOINT RESOLUTION NO. 68 by the Commerce Committee by request: SJR 68

> Relating to proposed federal budget cuts in appropriations to the United States Postal Service and reduction in the federal cost-of-living allowance.

was read the first time and referred to the State Affairs Committee.

FIRST READING AND REFERENCE OF SENATE BILLS

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 523 amended, by the Judiciary Committee, entitled: CSSB 523 am

> "An Act relating to public utilities; and providing for an effective date."

was read the first time and referred to the Commerce Committee.

SENATE BILL NO. 549 amended, by the Health, Education and Social Services Committee, entitled: SB 549 am

> "An Act relating to professional licensing and to the practice of pharmacy; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services Committee.

SB 550 am SENATE BILL NO. 550 amended, by the Health, Education and Social Services Committee, entitled:

"An Act relating to professional licensing and to the practice of pharmacy; and providing for an effective date."

was read the first time and referred to the Commerce Committee.

REPORTS OF STANDING COMMITTEES

HB 192 The Finance Committee has had HOUSE BILL NO. 192 (providing for equalization of the tax resources of municipalities, continuing a portion of the program of state aid for municipal purposes, and providing for minimum entitlements; effective date) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 192 (Finance) (same title), reports it back with individual recommendations, and attaches a letter of intent. Freeman (Vice Chairman), Smith, Guy and Schaeffer recommend do pass. McKinnon, Rogers and Haugen have no recommendation.

HB 192 was referred to the Rules Committee for placement on the calendar.

The letter of intent on HB 192 follows:

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

CSHB 192

It is the intent of the Legislature that the Alaska Department of Community and Regional Affairs provide, by the tenth day of the Twelfth Legislature, First Session, the Legislature with draft legislation for the funding of mass transportation through the revenue sharing formula. The Department shall also prepare a report on the current status of transit operations in the State.

HB 192

In preparing draft legislation, the Department shall take into account regional differences, private and public operation of transit systems, and various options for state support. It is suggested that the Department examine the approaches to this question taken by other states.

Oral Freeman

Rep. Oral Freeman, Vice-Chrmn.
House Finande Committee

HB 610

The Finance Committee has had HOUSE BILL NO. 610 (making a special appropriation to the Department of Administration, Older Alaskans Commission, for programs of benefit to older Alaskans; effective date) under consideration and a majority of the committee reports it back with individual recommendations. Freeman (Vice Chairman), Meekins, Duncan, Guy and McKinnon recommend do pass. Montgomery, Smith and Haugen have no recommendation.

HB 610 was referred to the Rules Committee for placement on the calendar.

HB 611

The Finance Committee has had HOUSE BILL NO. 611 (authorizing state aid for service programs for the benefit of older Alaskans; effective date) under consideration and a majority of the committee reports it back with individual recommendations. Freeman (Vice Chairman), Meekins, Duncan, Guy and McKinnon recommend do pass. Montgomery, Smith and Haugen have no recommendation.

HB 611 was referred to the Rules Committee for placement on the calendar.

HB 615

The Finance Committee has had HOUSE BILL NO. 615 (relating to an exemption from municipal property taxation, effective date) under consideration and a majority of the committee reports it back with individual recommendations. Freeman (Vice Chairman), Meekins, Duncan, Guy and McKinnon recommend do pass. Montgomery, Smith and Haugen have no recommendation.

HB 615 was referred to the Rules Committee for placement on the calendar.

HB 618 The Finance Committee has had HOUSE BILL NO. 618 (establishing an Older Alaskans Commission; effective date) under consideration and a majority of the committee recommends it be replaced with the Health, Education and Social Services COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 618 (same title), reports it back with individual recommendations and attaches a new fiscal note. Freeman (Vice Chairman), Meekins, Duncan, Guy and McKinnon recommend do pass. Montgomery, Smith and Haugen have no recommendation.

HB 618 was referred to the Rules Committee for placement on the calendar.

Fiscal note on CSHB 618 appears in House Journal Supplement No. 51.

HB 648 The Finance Committee has had HOUSE BILL NO. 648 (relating to fire prevention) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 648 (Finance) (same title), recommends it do pass and attaches a fiscal note. Concurring: Freeman (Vice Chairman), McKinnon, Smith, Guy, Montgomery and Haugen.

HB 648 was referred to the Rules Committee for placement on the calendar.

Fiscal note on HB 648 appears in House Journal Supplement No. 51.

HB 698 The Community and Regional Affairs Committee has had HOUSE BILL NO. 698 (relating to the composition and representation requirements of general law boroughs; effective date) under consideration and a majority of the committee reports it back with individual recommendations. Parker (Chairman) and Branson recommend do pass. Parr and Zharoff have no recommendation.

HB 698 was referred to the Rules Committee for placement on the calendar.

HB 710 The Finance Committee has had HOUSE BILL NO. 710 (making appropriation adjustments for the Department of Health and Social Services, Division of Public Assistance; effective date) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 710:

Attachment 4

THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

April 30, 1980

The Honorable Arliss Sturgulewski
Chairman, Senate Community and
Regional Affairs Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

FILE: Legislation-1980

SUBJECT: CSHB 192(am)

Dear Senator Sturgulewski:

The City and Borough of Juneau supports HB 192 as it passed the House but requests that the following change be made in the bill to correct problems which arise out of a House Finance Committee change.

Replace lines 17 through 22 on page 2 with the following:

(C) revenue from payments in lieu of taxes made by municipally owned enterprise operations, from fees, rentals, leases, penalties, licenses or permits received during the preceding fiscal year by the municipality for a function or service over which it has control, including revenues derived from parks and recreation services, mass transit, and offstreet parking; and

The foregoing amendment

1. makes it clearer that it is the payments in lieu of taxes made by a municipal utility to the municipality which are counted as a part of local effort and that the revenue to the utility is not counted, and

2. deletes the use of the word "utility" (which is defined elsewhere in the bill for other purposes) and replaces it with the "municipal enterprise" language so that it

will include in lieu of tax payments made by all tax exempt municipal enterprise operations and not just those made by those operations which are defined as utilities, and

3. deletes revenue to municipal garbage utilities from local effort.

Thank you for your consideration of the foregoing matters.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

GLS:phl

. Funding the Newly Organized Municipalities

. The League requests the enactment of legislation to provide adequate block grants to assist in the formation of new municipalities.

. Public Employee Retirement

. The League urges that legislation which increases benefits under the Public Employees Retirement System provide that the increased cost shall be borne by contributions from the employees. The League urges the Legislature to recognize the effect on participating municipal employers if any amendments are made to PERS.

2. The League supports legislation that would allow locally elected officials, including those who are active members in the Alaska State Teachers Retirement System, and former elected officials to participate in the Public Employees Retirement System.

H. Cultural, Civic and Convention Centers and Museums

1. While legislation has been enacted into law to enable the state to assist local communities in the construction, maintenance and operation of cultural, civic, convention and community recreation centers, only minimal funding has been available for this purpose. The League, therefore, urges the Legislature to authorize the issuance of bonds for this or any similar legislation in an amount sufficient to meet the construction requirements in Alaska communities.

2. The League urges the Legislature to provide state assistance for the acquisition, construction, maintenance and operation of museums by Alaskan communities in order to preserve and display materials illustrative of the history of the state, the community and its people.

AML

I. Local Hospital Use

1. It is the practice of the Public Health Service and other health agencies to transport patients from local communities with modern hospital facilities and professional expertise to regional hospitals for treatment and convalescence. If local community hospitals are to survive and provide the professional services communities require, these cases should remain in the local hospitals. The League, therefore, urges the state and federal agencies responsible for health care to utilize the local health facilities and to transport patients to regional centers only when the necessary services are not available.

2. The League supports legislation that would retain full funding of the State Shared Revenue Program but would remove "aid to hospital construction" funding from the state shared revenue program. The League strongly supports increased state funding of hospital construction and operating costs but feels that this should be funded outside the State Revenue Sharing Program and within the Department of Health and Social Services.

Municipality of Anchorage

MEMORANDUM

DATE: April 18, 1980

TO: Mayor Sullivan
THRU: Lu Person, Director of Management and Budget LP
FROM: Gene Dusek, Budget Officer GD

SUBJECT: HB192 AMENDMENT

Per Mitch, the only amendment to HB192 as passed out of the House Finance Committee on April 17th was to increase the total amount, including hospital pass-thru funding, to $31 million.

At a $31 million funding level, the State has estimated that $22,740,838 would be available for other than hospital pass-thru funding. At this funding level, the following shows how Anchorage would fare under the current statutes and under HB192 in FY1981.

Current Statutes		HB192	
Amount	% of State total	Amount	% of State total
$9,830,864	43.23%	$8,190,667	36.01%

The above compares to Anchorage's share of $7,849,556 (43.23%) of the State total of $18,157,087 if FY 1980 State-shared revenues are fully funded as per the House supplemental.

LP:GD:ljs

cc: Larry D. Crawford

91 010 15/781

Attachment 5

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

April 29, 1980

To: Senate C&RA Committee

From: Ginny Chitwood, Alaska Municipal League

Re: HB 192 - Revenue Sharing

Needless to say, Alaska Municipal League supports a state revenue sharing program. The cities and boroughs are struggling to provide services demanded by their constituents while at the same time keeping local taxes at a reasonable level. Local government officials appreciate the help they receive from the Legislature in meeting those goals.

Although we prefer continuance of the existing revenue sharing program to no program at all, we do support reform in the method of distributing funds. Presently there is little correlation between the cost of providing a service and the amount in the revenue sharing category. Additionally, the current categorical program contains no inflation ajustment factor, whereas, the cost of living has increased over 89% since the inception of the program.

We support separating the hospital construction grants from the general revenue sharing fund because it is a pass through to hospitals and not a revenue to municipalities. This year it was 28% of the total entitlement.

We do not feel it is as important to separate the roads and highways section but we support increasing the per mile amount. Estimates on actual costs range from $4,000 to $10,000 per mile depending on type, number of lanes, etc. In addition, we suggest adding another category to Chapter 89 - State Aid for Miscellaneous Purposes entitled "State Aid to Municipalities for Public Transit Operations" (see enclosed). This category will aid energy conservation by encouraging public transit and is a logical balance to the road maintenance section.

In summary we support the concept of helping those communities that are willing to help themselves as contained in the HB 192 formula. We do believe, however, that there needs to be some stronger hold harmless clauses to lessen the impact on those municipalities adversely affected by this bill.

3 to 5 years 125% of fiscal '80 (original appropriation)

33.75m 32.35m w/supplemental + entitlement or 35m

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

Proposal to amend HB 192 to add a new section to Chapter 89, State Aid for Miscellaneous entitled State Aid to Municipalites for Public Transit Operations.

We suggest two different ways to compute the assistance: (1) 25% of operating costs or (2) 33½% of expenses less fare revenues. Using rough figures from FY '79, the dollar amounts are:

Anchorage	Total Expenses	$4,250,500 - 25%	= $1,062,625
	Fare Revenues	546,700	
	Deficit	$3,703,800 - 33½%	= $1,234,600
Barrow	Total Expenses	$ 350,000 - 25%	= $ 87,500
	Fare Revenues	54,000	
	Deficit	$ 296,000 - 33½%	= $ 97,680
Fairbanks	Total Expenses	$1,108,800 - 25%	= $ 277,200
	Fare Revenues	144,000	
	Deficit	964,800 - 33½%	= $ 296,000
Juneau	Total Expenses	$ 930,200 - 25%	= $ 232,550
	Fare Revenues	100,000	
	Deficit	830,200 - 33½%	= $ 276,667
Ketchikan	Total Expenses	$ 409,412 - 25%	= $ 102,353
	Fare Revenues	338,500	
	Deficit	70,912 - 33½%	= $ 23,637

Total 25% of Expenses	$1,762,228
Total 33½% of Deficit	$1,928,584

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Porch V
State Capitol
Juneau, Alaska 99811

MINUTES MEETING April 30,1980 8:00 am
SUGGESTED AMENDMENTS

Mr. Monk, Fire Fighters' Association
Prefers categorical assistance; but supportive of Rogers' amendment.

Mr. Lee Sharp, Juneau City Boro Attorney
regarding utilities (see letter, Attachment 4)
regarding fire protection: keep as was, since 125% discretionary areawide money(p.5) allows for boro support of VFDs.
regarding "hold harmless " : population should not be used
regarding hospitals: hospital construction should be in a separate account or preferably removed entirely from revenue sharing to DHSS.

Mr. Gary Kraus, Dept. Public Safety
perfers categorical assistance to fire services. Supports amendments that extend revenues to all fire services.

Ginny Chitwood, Alaska Municipal League
regarding hospitals, utilities, mass transit (see attachment 5)

Palmer McCarter,Mary Foster, LGAD, Dept. Comm. & Regional Affairs
regarding utilities: in lieu provision benefits municipal owned utilities
Hospital Construction aid: in preference order: should be deleted from revenue sharing and placed in DHSS; put in a separate account from other miscellaneous services; return to original definition of actual construction costs (eliminate financing costs)
Regarding Fire protection: p. 10 opposed . Prefers orginal version, as all boros have fire protection powers.
Re "hold harmless": either clarify that "original appropriation"was meant or no need for 125% clause if FY80 entitlement used instead of FY 80 appropriation
Correction: p. 3, l.21 : Change December 15 date

TELEGRAM

ALASCOM, INC.

C2055 NL ANCHORAGE ALASKA 90 04-29 1129A ADT

'80 APR 30 PM

PMS SENATOR ARLISS STURGULEWSKI

JUNEAU AK

FIRST, WE THANK YOU FOR YOUR PAST SUPPORT. LOCAL GOVERNMENT HAVE BEEN SUBSTANTIALLY AIDED IN THEIR COST CONTAINMENT EFFORTS BY YOUR ASSISTANCE ON BEHALF OF ALL OUR TAXPAYERS, THANK YOU.

SECOND, PLEASE SUPPORT THE POSITION OF THE MUNICIPALITY OF ANCHORAGE REGARDING HB192. THE 90 PERCENT HOLD HARMLESS PROVISION AND THE PROPOSED INCREASE IN FUNDING FOR REVENUE SHARING WILL RESULT IN A MORE EQUITABLE DISTRIBUTION OF REVENUE SHARING MONIES.

DAVE WALSH CHAIRMAN ANCHORAGE ASSEMBLY MUNICIPAL CLERK OFFICER

GERRY O CONNOR, PAUL BAER, DON SMITH,

CAROL MASER, DAVE ROSE, LIDIA SEKLREGG, BEN MARSH,

JANE ANGVIK, RICK MYSTRON, FRED

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

1980

02105 NL ANCHORAGE ALASKA 112 04-30 236P ADT

PMS SENATOR ARLISS STURGULEWSKI

JUNEAU AK 4643

REQUEST YOU CONSIDER AMENDING SECTION II OF CS4 HB192 ON PAGE TWO TO READ AS FOLLOWS

R EQUALS MILLAGE RATE EQUIVALENT DETERMINED BY DIVIDING THE SUM OF A LOCALLY GENERATED REVENUE OF THE TAXING UNITS BY ONE TENTH OF ONE PERCENT. (0-1) OF THE FULL AND TRUE VALUE OF ASSESSED PROPERTY OF THE TAXING UNIT DETERMINED UNDER AS29.88.020(D) PROVIDED (1) THE PROPERTY VALUE USED UNDER THIS SUBSECTION MAY NOT BE LESS THAN 15 PERCENT OF THE STATEWIDE AVERAGE PER CAPITA FULL AND TRUE ASSESSED PROPERTY VALUE AND (2) THE MILLAGE RATE EQUIVALENT OF A TAXING UNIT SHALL NOT BE LESS THAN THE AVERAGE OF THE EQUIVALENT OF ALL TAXING UNITS.

CITY AND BOROUGH OF SITKA

ROCKY GUTIER REZ ADMINISTRATOR

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

May 1, 1980

The Honorable Arliss Sturgulewski
Chairman, Senate Community and
Regional Affairs Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

FILE: Legislation-1980

SUBJECT: CSHB 192(am)

Dear Senator Sturgulewski:

The following change on page 4 of CSHB 192(Finance)(am) would provide for a simple means of adjusting the assessed value of a municipality to take into account the value of those utilities for which payments in lieu of taxes are made.

In line 8 on page 4 of the bill, delete the period after "AS 14.17.140" and add the following:

> and shall include, in addition, for each utility for which a payment in lieu of taxes is made, the computed assessed value of the utility. The computed assessed value of the utility shall be the amount computed by dividing the applicable millage rate into the amount of the payment in lieu of taxes made by the utility.

This should provide a simple method of computing the assumed value of the utility for which the payments in lieu of taxes are made. This addition should be made so that the municipalities with privately owned utilities are not penalized for permitting private industry to provide those utility services.

Sincerely,

Gerald L. Sharp
City-Borough Attorney

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 974

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for hospitals; and providing for an effective date."

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

* Section 1. Notwithstanding AS 43.18.010(h)(2)(A), during the fiscal year ending June 30, 1981, the Department of Community and Regional Affairs shall make payments under AS 43.18.010(h)(2) to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital or $200,000 a hospital for those hospitals with 10 or more beds, or $70,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect. Amounts received under this section may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines.

* Sec. 2. (a) The Department of Health and Social Services and the Department of Community and Regional Affairs shall jointly examine and report their recommendations on the extent to which the state should assist municipalities, nonprofit corporations, and others in the construction and operation of hospitals and health facilities.

(b) By February 1, 1981, the commissioner of health and social services shall submit to the legislature a report, accompanied by draft legislation, examining programs of state aid for hospital and health facility construction and operation, including both public and private facilities, and recommending a comprehensive health and hospital financial assistance program. The report

and accompanying legislation shall be based on health care and health facility need, expressed as a function of number of beds, occupancy rate of facilities, kinds of care and levels of service provided or not provided, or any other factors which the commissioner of health and social services reasonably believes should be the basis by which state assistance for hospitals and health facilities and their programs should be provided.

(c) The report and accompanying legislation presented under (b) of this section shall

(1) include, if necessary, reference to certificates of need legislation and any other current program of the federal or state government which applies in determining whether hospitals and health care facilities shall be constructed;

(2) recommend a permanent program of state assistance to municipalities for hospital care and health care services, whether provided by public or private facilities, which improves the level of care for the people of the state.

* Sec. 3. This Act takes effect July 1, 1980.

REQUEST
Bill/Resolution No. CSHB No 974
Title "An Act relating to state aid for hospitals; and providing for an effective date."
Requested by Community and Regional Affairs Committee Date 4-25-80

II. FISCAL DETAIL
Agency Affected Department of Health and Social Sevices
Program Category Affected Health
BRU, Program, or Subprogram(s) Affected SHPDA - Resource Development
(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		9.				
300 CONTRACTUAL		50.				
400 COMMODITIES		1.				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		60.				

FUNDING (Thousands of Dollars)

GENERAL FUND		60				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

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

See Attached

Phoebe A Lindsey
Phoebe Lindsey
Prepared by: Lowell Swartz Date: 4-25-80
Division/Office: SHPDA PH: 465-3030
Department of Health & Social Services

Approval DHSS Mgt. & Bdgt: [illegible] Date: 4/29/80

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

33-001 (Rev. 12/79)
Modified by DHSS (11-28-79)

A study to determine the State's role in providing aid/support to Alaska's acute care facilities and how such aid/support should be disbursed should provide important policy and resource allocation direction for the State on this complex issue. Because of the health planning and policy considerations raised, the study should be conducted under the aegis of the DHSS Division of State Health Planning and Development with particular focus on its facilities development section.

With current Division staff limitations and work load commitments this scope of work would be contracted to a qualified research group with capabilities in and a working knowledge of Alaska's health care delivery system, health care economics, capital development in health care facilities, State plans for development as articulated by the Statewide Health Coordinating Council, State regulations and other dimensions. It is anticipated that the scope of work would require approximately $50,000.

To ensure input of affected/interested parties, a task force would be convened to advise the contractor and the Division on the study. The task force would include a hospital administrator, a representative of a third party payor, a consumer, a representative of the State's Medicaid program, a member of the Division's facilities development staff, a Health Systems Agency board member and a member of the Statewide Health Coordinating Council. The task force would meet in Anchorage, the most economical meeting site, at least three times during the study at an approximate cost of $3000 per meeting.

Costs are included to produce a report for select distribution at the conclusion of the study.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

Proposal to amend HB 192 to add a new section to Chapter 89, State Aid for Miscellaneous entitled State Aid to Municipalites for Public Transit Operations.

We suggest two different ways to compute the assistance: (1) 25% of operating costs or (2) 33⅓% of expenses less fare revenues. Using rough figures from FY '79, the dollar amounts are:

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Fairbanks	Total Expenses	$1,108,800	- 25%	= $ 277,200
	Fare Revenues	144,000		
	Deficit	964,800	- 33⅓%	= $ 296,000
Juneau	Total Expenses	$ 930,200	- 25%	= $ 232,550
	Fare Revenues	100,000		
	Deficit	830,200	- 33⅓%	= $ 276,667
Ketchikan	Total Expenses	$ 409,412	- 25%	= $ 102,353
	Fare Revenues	338,500		
	Deficit	70,912	- 33⅓%	= $ 23,637

Total 25% of Expenses	$1,762,228
Total 33⅓% of Deficit	$1,928,584

MEMORANDUM State of Alaska

TO. Marie Matsuno
Deputy Commissioner

DATE: April 29, 1980

FILE NO:

Through: Palmer McCarthy
Director

TELEPHONE NO:

FROM: Terry Earley
State Assessor

SUBJECT: CSHB 192 am

The staff of the Senate Community & Regional Affairs Committee requested fiscal analysis of two proposed amendments to CSHB 192 am. Both amendments deal with organization of newly incorporated areas.

The first of these would increase organizational grants (AS 29.18.180) to $130 per voter and also increase the minimum grant to newly formed boroughs and first class cities to $125,000 (current statue is $10 per voter and $25,000 minimum).

Assuming that there will be one borough or first class city incorporation in FY 81, two in FY 82, one in FY 83, etc. and assuming that two second class cities incorporate per year and the average number of voters of these cities is 150, the following is a listing of the fiscal impact by year:

1981	1982	1983	1984	1985
164,000	289,000	164,000	289,000	164,000

The second amendment would require the Department to provide for preparation of the initial assessment roll in newly formed boroughs and maintain that assessment role for two subsequent years.

The assumption of two in FY 81, and one in FY 82, etc. would still be valid. The preparation and maintenance of assessment rolls, per this amendment, would be done by a private contractor and supervised by the Department.

It is anticipated that the cost of these contracts would average $300,000 per borough for the initial assessment roll and $75,000 for each of the next 2 years.

The breakdown of Departmental administrative costs would be as follows:

Personal Services

2	Appraisers Range 18	$58,272
1	Clerk Typist III Range 8	14,892
1	Clerk Typist II Range 7	14,484
		$87,648
	Fringes at 28%	24,541

Travel	$112,189
Existing Personel	$ 8,000
New Appraisers	12,000
	$20,000

Contractual

Telephone	$ 6,000
Postage	4,200
Printing & Advertising	6,000
Machine Rental	6,000
Office Space 600 sq.ft. @ 1.50	10,800
Data Processing	25,000
	$58,000

Commodities

Reference Materials	$ 5,000
Office Supplies	5,000
	$10,000

Equipment $ 3,000*

*Initial set up costs.

The following listing is the total cost by year for this amendment, including 8% inflation.

FY 81	FY 82	FY 83	FY 84	FY 85
$506,200	899,600	1,522,500	1,212,000	957.9

TE:jh

recipient, entitlements determined under AS 29.88, AS 29.89 and AS 29.90, together with the additional sums required by (a) of this section, shall be equally prorated and the prorated amounts distributed to municipalities and other recipients.

* Sec. 12. AS 29.18.180(a) is amended to read:

(a) For the purpose of defraying the cost of transition to borough or city government and in order to provide for development and interim governmental operations each borough and city incorporated after January 1, 1958, or, in the case of a second class city, incorporated or reclassified after January 1, 1968, other than a unified municipality incorporated under the provisions of AS 29.68.240 - 29.68.440 [AS 29.85], or a municipality otherwise incorporated by consolidation, is entitled to an organization grant equal to $130 [$10] for every voter who voted in the borough or city incorporation election. However, each incorporated borough and each first class city incorporated or established by reclassification outside an organized borough is entitled to

(1) $125,000 for the fiscal year in which it was incorporated or reclassified;

(2) $125,000 for the next fiscal year; and

(3) $75,000 for the third fiscal year [AT LEAST $25,000].

* Sec. 13. AS 29.18 is amended by adding a new section to read:

Sec. 29.18.182. ASSESSMENT ROLL. (a) The Department of Community and Regional Affairs shall establish the initial assessment roll for a borough incorporated under this chapter. The initial assessment roll shall contain the information required by AS 29.53.100(a) and shall be sufficient for computing tax levies by the municipality and for computing the amount of local effort required by the municipality under AS 14.17.021(c)(3) and 14.17.071.*

(b) In the preparation of the initial assessment roll, the De-

partment of Community and Regional Affairs may contract for the services of appraisers and others whose services are required to complete the initial assessment. When completed, the initial assessment roll shall be certified by the commissioner of community and regional affairs, and the completed assessment roll, together with all supporting information and materials prepared by the Department of Community and Regional Affairs shall be transmitted to the borough assembly.

(c) The Department of Community and Regional Affairs, to the extent appropriations are available for the purpose, shall continue to pay the costs of the services of a municipal assessor and related staff for three years after the completion of the initial assessment roll.

* Sec. 14. AS 29.18.182(a), added in sec. 13 of this Act, is amended to read:

(a) The Department of Community and Regional Affairs shall establish the initial assessment roll for a borough incorporated under this chapter. The initial assessment roll shall contain the information required by AS 29.53.100(a) and shall be sufficient for computing tax levies by the municipality [AND FOR COMPUTING THE AMOUNT OF LOCAL EFFORT REQUIRED BY THE MUNICIPALITY UNDER AS 14.17.021(c)(3) AND 14.17.071].

* Sec. 15. Sections 1 - 11 of this Act take effect on the first day of the fiscal year for which $31,000,000 or more is appropriated and allowed by the governor for distribution to municipalities and other recipients under the provisions of this Act, or on July 1, 1983, whichever is earlier.

* Sec. 16. Sections 12 - 14 of this Act take effect July 1, 1980.

* Sec. 17. Sections 15 - 17 of this Act take effect immediately in accordance with AS 01.10.070(c).

finance the project; and the cost of other items, including an indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary.

Sec. 29.89.025. STATE AID TO VOLUNTEER FIRE DEPARTMENTS IN THE UNORGANIZED BOROUGH. (a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or city a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal.

(b) A grant shall be made as set out in (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized borough or city upon application of the proposed fire protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal.

(c) In this section, "fire protection" includes, but is not limited to, fire protection provided by a volunteer fire department registered with the state fire marshal which has official recognition and financial support from the community or area in which it is located.

Sec. 29.89.030. STATE AID FOR MASS TRANSIT. The department shall pay _____ per capita to a municipality which provides mass transit services.

Sec. 29.89.035. POPULATION DETERMINATION. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls.

Sec. 29.89.040. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments

Dept. for FEB 19 92

Turla

THE ALASKA HOSPITAL AND MEDICAL CENTER, INC.

Trustees

Ray L. Snitil
President

Jack Bentley
Vice President

William H. Ivy, M.D.
Secretary

Vernon Cates, M.D.

Emmitt Wilson

Ronald A. Pavellas
Administrator

February 18, 1980

Helen D. Beirne, Commissioner
Department of Health and Social Services
Pouch H-01
Juneau, Alaska 99811

Dear Commissioner Beirne:

Thank you for your letter of January 22 indicating your interest in determining whether our hospital may receive funds from the State under AS 18.25.040 et. seq.

We have been in correspondence on this subject since November 9, 1979. Inasmuch as over three months have elapsed since that time, I ask that you please urge all parties concerned to provide you and me with guidance as soon as possible.

The enclosed statistics will show you that in the last 12 months we have served 6,723 Alaskans, 80 percent of which reside in Anchorage. Our financial projections show that we will be incurring operational break-even or better by July, 1981. In the meanwhile, we will be incurring operational deficits each month, and this is why we are seeking relief under the statute being examined.

I feel that the fact that the statute has never been exercised is no reason to delay exercising it where and when applicable.

It would be a tragic loss to Alaska if, for lack of temporary assistance under existing statutes, it were to lose this modern and efficient hospital for use by the general population that has been supporting it through fees for service.

I look forward to your answer.

Sincerely,

Ronald A Pavellas

Ronald A. Pavellas
Administrator

cc: Brian Brundin, Esquire
Thomas J. Harrison, M.D.
Deputy Commissioner McGinnis
Deputy Commissioner Korhonen

2801 DeBarr Road
Pouch 8-AH
Anchorage, Alaska 99508
(907) 276-1131

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Ronald A. Pavelas
Administrator

THE ALASKA HOSPITAL AND MEDICAL CENTER, INC.

AVERAGE DAILY CENSUS, PER MONTH AND PER 12-MONTH ACCUMULATION, BY TYPE OF SERVICE: JANUARY 1977 - JANUARY 1980

	MEDICAL/SURGICAL		NEWBORN		CHEMICAL DEPENDENCY		TOTAL	
Date	Per Month	Per 12 Months	Per Month	Per 12 Months	Per Month	Per 12 Months	Per Month	Per Mon
Jan 77	82		8				90	
Feb	82		8				90	
Mar	91		8				99	
Apr	101		7				108	
May	90		7				97	
Jun	80		9				89	
Jul	87		9				96	
Aug	87		8				95	
Sep	92		10				102	
Oct	82		9				91	
Nov	82		7				89	
Dec	85	87	8	8			93	95
Jan 78	81	87	8	8			89	95
Feb	80	87	6	8			86	95
Mar	98	87	9	8			107	95
Apr	103	87	10	9			113	96
May	91	87	9	9			100	96
Jun	92	88	9	9			101	97
Jul	75	87	9	9			84	96
Aug	78	87	10	9			88	96
Sep	80	86	8	9			88	95
Oct	76	85	7	8			83	93
Nov	74	84	7	8			81	92
Dec	61	82	6	8			67	90
Jan 79	75	82	6	8			81	90
Feb	79	82	6	8			85	90
Mar	86	81	7	8			93	89
Apr	74	78	5	7			79	85
May	68	76	6	7			74	83
Jun	59	74	5	7			64	81
Jul	67	73	6	7			73	80
Aug	71	72	8	6	4	-	83	78
Sep	70	72	8	6	12	1	90	79
Oct	78	72	7	6	10	2	95	80
Nov	84	73	7	7	17	4	108	84
Dec	68	73	7	7	16	5	91	85
Jan 80	82	74	9	7	16	6	107	87

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THE ALASKA HOSPITAL AND MEDICAL CENTER, INC.

INPATIENT ADMISSIONS
ACUTE, NEWBORN AND CHEMICAL DEPENDENCY
JANUARY, 1978-JANUARY, 1980

	Acute	Newborn	Chemical Dependency	Total Per Month	12-Month Running Total Admissions
Jan '78	556	96	-	652	
Feb	487	60	-	547	
Mar	661	97	-	758	
Apr	608	96	-	704	
May	611	81	-	692	
Jun	592	90	-	682	
Jul	492	96	-	588	
Aug	549	96	-	645	
Sep	497	78	-	575	
Oct	504	78	-	582	
Nov	500	75	-	575	
Dec	424	60	-	484	7484
Jan '79	476	64	-	540	7372
Feb	466	62	-	528	7353
Mar	508	77	-	585	7180
Apr	469	60	-	529	7005
May	461	71	-	532	6845
Jun	410	57	-	467	6630
Jul	427	60	-	487	6529
Aug	514	83	12	609	6493
Sep	462	90	12	564	6482
Oct	525	65	11	601	6464
Nov	481	74	21	576	6490
Dec	458	82	16	556	6574
Jan '80	583	91	15	689	6723

PRELIMINARY
ANNUAL REPORT

FISCAL YEAR 1980

I file w/ HB192 al

STATE AID TO LOCAL GOVERNMENTS
MUNICIPAL SERVICES REVENUE SHARING PROGRAM
(AS 43.18.010 - 045)

STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DIVISION OF LOCAL GOVERNMENT ASSISTANCE
POUCH B
JUNEAU, ALASKA 99811
MARCH 1980

Expenditures for the State Aid to Local Governments Municipal Services Revenue Sharing Program during the period July 1, 1979 to June 30, 1980 are as follows:

GRANT ENTITLEMENTS BY CLASSIFICATION OF MUNICIPAL SERVICES

	Applicants Participating	Approved Entitlements	Actual Entitlements @ 75.1723%
Police Protection	98	$ 3,823,992	$ 2,874,583
Fire Protection	146	2,830,963	2,128,100
Air/Water Pollution Control	60	730,872	549,413
Land Use Planning	33	783,306	588,829
Parks and Recreation	109	1,978,960	1,487,630
Transportation Facilities	41	2,237,738	1,682,159
Road Maintenance			
Public Roads	91	2,329,988	1,751,505
Ice Roads	16	226,881	170,551
Health Services	13	570,412	428,792
Hospitals	14	1,572,000	1,181,708
Health Facilities	36	1,095,000	823,137
Construction Aid	7	$,292,828	$ 5,482,186
Entitlements		$25,472,940	$19,148,593
Cost-of-Living Allowance (COLA)		1,548,975	1,164,400
Total Entitlements		$27,021,915	$20,312,993
Less Prior Year Adjustments		77,003	77,003
Final Entitlements		$26,946,423	$20,235,990

GRANT ENTITLEMENTS BY CLASSIFICATION OF RECIPIENT

	Applicants Participating	Approved Entitlements	Actual Entitlements @ 75.1723%
Organized Boroughs	8	$ 2,462,316	$ 1,850,979
Unified Governments	3	15,505,124	11,655,558
Home Rule Cities	11	4,544,549	3,416,242
First Class Cities	21	1,073,948	807,311
Second Class Cities	90	1,828,348	1,374,411
Unorganized Borough Fire Protection Groups	27	58,655	$ 44,092
Entitlements	160	$25,472,940	$19,148,593
Cost-of-Living Allowance (COLA)		1,548,975	1,164,400
Total Entitlements		$27,021,915	$20,312,993
Less Prior Year Adjustments		77,003	77,003
Final Entitlements		$26,946,423	$20,235,990

RATES USED TO COMPUTE GRANT ENTITLEMEMTS
UNDER THE STATE AID TO LOCAL GOVERNMENTS
MUNICIPAL SERVICES REVENUE SHARING PROGRAM

Municipal Services	Rates
Police Protection	$12 per capita
Military	6 per capita
Fire Protection	$7.50 per capita
Air (*)/Water (**) Pollution Control	$2 per capita
Land Use Planning	$2 per apita
Parks and Recreation	$5 per capita
Military	1.25 per capita
Transportation Facilities	$5 per capita
Military	2.50 per capita
Road Maintenance	
Public Roads	$1,500 per mile*
Ice Roads	900 per mile**
Health Services	$2 per capita
Hospitals	$75,000 per hospital*
	25,000 per hospital**
	1,000 per bed***
Health Facilities	$ 4,000 per facility*
	1,000 per bed**
Construction Aid	$ 2,500 per bed*
	5% of total project cost** (whichever is greater)

DEFINITIONS

COLA - means cost-of-living allowance used in computing total grant entitlements.

FY 80 - means the fiscal year ending June 30, 1980.

NOTE

As the total entitlements exceeded the amount appropriated to the revenue sharing account, each recipient's share was prorated at 75.1723%.

	Total for Boroughs & Unified Govt's	Total for Cities	Total for Fire Protect-ion Groups	Total FY 1980 Approved Entitlements
Police	$ 2,444,334	$ 1,379,658		$ 3,823,992
Fire	1,884,372	887,936	$ 58,655	2,830,963
Air/Water	551,728	179,144		730,872
Land Use Planning	716,444	66,862		783,306
Parks & Recreation	1,561,195	417,765		1,978,960
Transportation	1,926,323	311,415		2,237,738
Roads	1,151,370	1,405,499		2,556,869
Health Services	452,216	118,196		570,412
Hospitals	800,000	772,000		1,572,000
Health Facilities	538,000	557,000		1,095,000
Construction Aid	5,941,458	1,351,370		7,292,828
Entitlements	17,967,440	7,446,845	58,655	25,472,940
COLA	324,392	1,213,772	10,811	1,548,975
Total Entitlements	$18,291,832	$ 8,660,617	$69,466	$27,021,915
Less Prior Year Adjustments				77,003
Final Approved Entitlements				$26,944,912

TOTAL APPROPRIATED TO THE REVENUE SHARING ACCOUNT	$20,236,000
PLUS PRIOR YEAR ADJUSTMENT	$ 77,003
TOTAL AVAILABLE FOR DISBURSEMENT	$20,313,003
ANTICIPATED DISBURSEMENT	$20,312,993
BALANCE	$ 10

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Anchorage, Municipality of	185,280	(2,113,542)	(1,371,923)	370,560 **	370,560	(938,806)	(1,343,100)	(611,505)*	370,560	425,000***	32,000* 327,000**	5,902,695**	14,177,251		14,177,251	10,657,366	
City Service Area	63,811						319,055										
Eagle River Fire Service Area	7,522		56,415														
Chugiak Fire Service Area	4,845		36,338														
Girdwood Service Area	487		3,653			2,435		14,490									
Anchorage Fire Service Area	170,069		1,275,517														
Anchorage Roads and Drainage Service	57,722							585,540									
Anchorage Police Service Area	166,364	1,996,368															
Anchorage Parks & Recreation Service Area	169,940					849,700											
Eagle River/Chugiak Recreational Facilities Service Area	12,452					62,260											
Military (not included in the Municipality's pop)	19,529	117,174				24,411	97,645										
Glen Alps Service Area	65							11,475									
Juneau, City & Borough of	23,115	(108,468)	(171,818)	44,604**	46,230	115,575	115,575	(82,170,*	46,230	75,000*	74,000**	38,763**	918,433		918,433	690,407	
Service Area #1	7,372	88,464	55,290					21,345									
Service Area #2	1,667	20,004	12,503					7,260									
Service Area #3	206		-0-					53,565									
Service Area #4	1,591		11,933														
Service Area #5	10,490		78,675														
Service Area #6	766		5,745														
Service Area #7	450		3,375														
Service Area #8	573		4,297														
Sitka, City & Borough of	8,787	105,444	65,903		17,574	43,935	43,935	24,675*	17,574	75,000*	4,000* 12,000**		409,440	15,354	424,794	319,327	
Bristol Bay Borough	1,685	20,220	12,638		3,370	8,425		(6,630)*					51,283	13,462	64,745	48,670	
So. Naknek Rd. Dist.								6,630									
Fairbanks North Star Borough	60,227		(110,828)	120,454*	120,454	(308,629)	(316,123)	(108,240)*					1,084,728	162,709	1,247,437	937,727	
Ester Fire Service Area	1,100		8,250														
North Star Fire Service Area	6,500		48,750														
University Fire Service Area	7,177		53,828					108,240									
Public Roads Service Areas																	
Military (not included in the Boroughs's Pop.)	5,995					7,494	14,988										
Haines Borough	1,924																
Fire Service Area #1	363		2,723										2,723	204	2,927	2,200	
Kenai Peninsula Borough	25,507		(31,275)		51,014	(19,110)				(150,000)*			251,399	18,855	270,254	203,156	
Nikiski Fire Service Area	3,510		26,325														
Bear Creek Fire Service Area	660		4,950														
North Kenai Recreation Service Area	3,822					19,110											
South Kenai Peninsula Hospital Service Area										75,000*							
Central Kenai Peninsula Hospital Service Area										75,000*							
Ketchikan Gateway Borough	13,463		(5,273)		26,926		67,315						99,514		99,514	74,807	
Shoreline Fire Service Area	703		5,273														

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Kodiak Island Borough	8,926		(13,898)		17,852			(22,500)*	17,852	75,000*	32,000* 29,000**		218,932	16,420	235,352	176,920	
Fire District #1	1,759		13,193														
Karluk Fire District	94		705														
Nonareawide Service	2,166					10,830											
Road Service Areas								22,500									
Matanuska-Susitna Borough	23,177		(99,093)		46,354	115,885		(262,995)*					523,327	19,625	542,952	408,150	
Wasilla																	
Fire Service Area	3,879		29,093														
Butte Fire Service Area	2,506		18,795														
Greater Palmer																	
Fire Service Area	3,575		26,813														
Sutton Fire Service Area	818		6,135														
Talkeetna Fire Service Area	631		4,732														
Lakes Fire Service Area	1,670		12,525														
Road Service Areas								262,995									
North Slope Borough	8,056	96,660		16,110**	16,110		40,275	33,255			28,000*		230,410	77,763	308,173	231,661	
Total Boroughs		2,444,334	1,884,372	551,728	716,444	1,561,195	1,926,323	1,151,370*	452,216	800,000	538,000	5,941,458	17,967,440	324,392	18,291,832	13,750,391	

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
CITIES																	
Akhiok	121		908			605		6,000*					7,513	563	8,076	6,071	
Akiachak	354	4,248	2,655			1,770		3,000* 8,100**			4,000*	1,851	25,624	7,687	33,311	25,041	
Akiak	216	2,592				1,080					4,000*		7,672	2,302	9,974	7,498	
Akolmiut	641	7,692	4,808			3,205	3,205	40,275**			8,000*		67,195	20,156	87,341	65,656	3,506
Alakanuk	527	6,324	3,953	1,054**		2,635		6,000* 3,600**			4,000*		27,566	8,270	35,836	26,939	
Aleknagik	227	2,724	1,703			1,135							5,562	1,460	7,022	5,279	
Allakaket	216		1,620			1,080		4,050*			4,000*		10,750	3,628	14,378	10,808	
Ambler	217	2,604	1,628	434**		1,035		7,830*			4,000*		17,581	5,934	23,515	17,677	10,973
Anaktuvuk Pass	DID NOT SUBMIT																
Anderson Military	470 228		3,525			2,350 285		7,500*					13,660	4,610	18,270	13,734	
Angoon	541	6,492	4,058	1,082**	1,082	2,705	2,705	7,770*			4,000*		29,894	1,121	31,015	23,315	
Aniak	355	4,260	2,663			1,775		9,000* 8,100**			4,000*		29,798	10,057	39,855	29,960	
Anvik	DID NOT SUBMIT																
Atmautluak	200	2,400	1,500			1,000		13,500**			4,000*		22,400	6,720	29,120	21,890	15,569
Barrow	2,715		20,363			13,575							33,938	11,454	45,392	34,122	
Bethel	3,853	46,236	28,898	7,706**	7,706	19,265	19,265	15,315* 43,200**			4,000* 49,000**		240,591	72,177	312,768	235,115	
Brevig Mission	147	1,764	1,103								4,000*		6,867	2,060	8,927	6,711	
Buckland	170	2,040				850					4,000*		6,390	2,325	9,215	6,927	
Chefornak	206	2,472	1,545								4,000*		8,017	2,405	10,422	7,834	
Chevak	468	5,616	3,510	936**		2,340		750*			4,000*		17,152	5,146	22,298	16,762	
Chuathbaluk	137	1,524	953	254**		635		1,500* 5,400**			4,000*		14,266	4,815	19,081	14,344	

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Contro., Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Clark's Point	DID NOT SUBMIT																
Cordova	2,780	33,360	20,850	5,560**	5,560	13,900	13,900	12,450*	5,550	75,000*	12,000*		198,140	29,721	227,861	171,288	
Craig	587	7,044	4,403	1,174**	1,174	2,935	2,935	6,750*			4,000*		30,415		30,415	22,864	
Deering	133	1,596	998			665					4,000*		7,259	2,450	9,709	7,298	
Delta Junction	892		6,690		1,784	4,460		12,885*			4,000*		29,819	4,473	34,292	25,778	
Dillingham	1,658	19,896	12,435	3,316**	3,316	8,290	8,290	10,215*					65,758	17,261	83,019	62,407	
Diomede	125		938								4,000*		4,938	1,481	6,419	4,825	
Eagle	142					710		3,540*					4,250	638	4,888	3,674	
Eek	307	3,684	2,303			1,535					4,000*		11,522	3,457	14,979	11,260	
Ekwok	DID NOT SUBMIT																
Elim	218	2,616	1,635	436**							4,000*		8,687	2,606	11,293	8,489	
Emmonak	545	6,540	4,088	1,090**				5,115*			4,000*		20,833	6,250	27,083	20,359	
Fairbanks Military Annex	30,642 5,995	365,544 35,970	228,465	60,924**				130,215*	60,924	155,000*** 66,000**	12,000*	1,334,195	2,449,237	367,386	2,816 623	2, 7,320	
Fort Yukon	637	7,644	4,778		1,274	3,185		23,070*			4,000*		43,951	14,833	58,784	44,139	1,511
Fortuna Ledge	263	3,156	1,973			1,315		7,125*			4,000*		17,569	5,271	22,840	17,169	
Galena	957	11,484	7,178		1,914	4,785		8,370*			4,000*		37,731	12,734	50,465	37,936	
Gambell	447	5,364	3,353					10,500*					19,217	5,765	24,982	18,780	14,687
Golovin	118	1,416	885			590					4,000*		6,891	2,067	8,958	6,734	
Goodnews Bay	DID NOT SUBMIT																
Grayling	181		1,358	362**		905		3,000* 1,800**					7,425	2,506	9,931	7,465	
Haines	1,366	16,392	10,245	2,732**	2,732	6,830	6,830	15,660*					61,421	4,607	66,028	49,635	

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Holy Cross	302		2,265	604**		1,510		6,000*			4,000*		14,379	4,853	19,232	14,457	
Homer	2,227	26,724	16,703	4,454**		11,135	11,135	15,945*			8,000*		94,096	7,057	101,153	76,039	
Hoonah	1,093	13,116	8,198	2,186**		5,465	5,465	6,000*			8,000**		48,430	3,632	52,062	39,136	
Hooper Bay	610	7,320					3,050						10,370	3,111	13,481	10,134	3,737
Houston	440		3,300			2,200		38,325*					43,825	1,643	45,468	34,179	
Hughes	98		735			490							1,225	413	1,638	[illegible]	
Huslia	212		1,590	424**		1,060		26,655*			4,000*		33,729	11,384	45,113	33,912	
Hydaburg	381		2,858	762**	762	1,905	1,905	4,755*			4,000*		16,947		16,947	12,739	
Kachemak	DID NOT SUBMIT																
Kake	710	8,520	5,325	1,420**		3,550		5,505*					24,320	912	25,232	18,967	
Kaktovik	192		1,440			960							2,400	810	3,210	2,413	1,708
Kaltag	257		1,926	514**		1,285		3,000*					6,727	2,270	8,997	6,763	
Kasaan	46		345			230					4,000*		4,575		4,575	3,439	
Kenai	4,421	53,052	33,158	8,842**		22,105	22,105	67,095*					206,357	15,477	221,834	166,758	
Ketchikan	8,542	102,504	64,065			42,710	42,710	24,900*	17,084	92,000***	8,000* 12,000**		405,973	-0-	405,973	305,179	
Kiana	344	4,128	2,580	688**		1,720		4,530*			4,000*		17,646	5,956	23,602	17,742	
King Cove	733	8,796	5,498	1,466**		3,665	3,665				5,000*		27,090	7,111	34,201	25,710	
Kivalina	2[illegible]	3,168	1,980			1,320					4,000*		10,468	3,533	14,001	10,525	
Klawock	404	4,848	3,030	808**	808	2,020		2,535*			4,000*		18,049		18,049	13,568	4,000
Kobuk	61	732	458			305		6,000*			4,000*		11,495	3,880	15,375	11,558	2,751
Kodiak	5,754	69,048	43,155	11,508**		28,770	28,770	22,020*					203,271	15,245	218,516	164,264	
Kotlik	305	3,660				1,525					4,000*		9,185	2,756	11,941	8,976	

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Kotzebue	2,526	30,312	18,945	5,052**	5,052	12,630	12,630	23,230* 3,150**					111,051	37,480	148,531	111,654	
Koyuk	178	2,136	1,335			890		805*			4,000*		9,246	2,774	12,020	9,036	
Koyukuk	124		930								4,000*		4,930	1,664	6,594	4,957	
Kupreanof	42				84	210							609	23	632	475	
Kwethluk	444	5,328	3,3			2,220					4,000*		14,878	4,463	19,341	14,539	
Larsen Bay	133		998			665							1,663	125	1,788	1,344	
Lower Kalskag	229	2,748	1,718	458**		1,145		3,900* 36,000**			4,000*		49,969	16,865	66,834	50,241	
Manokotak	250	3,000	1,875	500**							4,000*		9,375	2,461	11,836	8,897	
McGrath	382	4,584	2,865		764	1,910		11,685*			4,000*		25,808	8,710	34,518	25,948	
Mekoryuk	174	2,088	1,305			870					4,000*		8,263	2,479	10,742	8,075	
Mountain Village	543	6,516	4,073	1,086**		2,715		5,250* 16,200**			4,000*		39,840	11,952	51,792	38,933	
Napakiak	313	3,756	2,348			1,565		3,720*			4,000*		15,389	4,617	20,006	15,039	
Napaskiak	240	2,880	1,800	480**							4,000*	1000**	10,160	3,048	13,208	9,929	
Nenana	503	6,036	3,773				2,515	16,920*					29,244	8,773	38,017	28,578	
New Stuyahok	297	3,564		94**		1,485					4,000*		9,643	2,531	12,174	9,151	
Newhalen	DID NOT SUBMIT																
Newtok	154	1,848	1,155			770					4,000*		7,773	2,332	10,105	7,596	1,332
Nightmute	135	1,620						1,500*					3,120	936	4,056	3,049	
Nikolai	DID NOT SUBMIT																
Nome	2,892	34,704	21,690	5,784**	5,784	14,460	14,460	17,550* 117**	5,784	75,000*	4,000*	14,324**	211,657	64,097	277,754	208,794	
Nondalton	DID NOT SUBMIT																

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Hoorvik	526	6,312	3,945	1,052**		2,630		3,300*					17,239	5,818	23,057	17,332	
North Pole	823	9,876	6,173	1,646**				16,080*					33,775	5,066	38,841	29,193	
Nuiqsut	DID NOT SUBMIT																
Nulato	332		2,490			1,660		6,150*			4,000*		14,300	4,826	19,126	14,377	
Old Harbor	345	4,140	2,588	690**		1,725	1,725	6,675*					17,543	1,316	18,859	14,177	1,631
Ouzinkie	177		1,328	354**		885		1,050*					3,617	271	3,888	2,923	1,001
Palmer	2,056	24,672	15,420	4,112**			10,280	29,040*	4,112	75,000*			162,636	6,099	168,735	126,842	
Pelican	221		1,658		442	1,105	1,105	1,050*			4,000*		9,960	747	10,707	8,049	421
Petersburg	3,197	38,364	23,978	6,394**	6,394	15,985	15,985	13,770*	6,394	75,000*	8,000*		210,264	7,885	218,149	163,988	
Pilot Station	301	3,612	2,258	602**		1,505		3,000*					10,977	3,293	14,270	10,727	
Platinum	58	696	435			290		13,500* 5,850**					20,771	6,231	27,002	20,298	
Point Hope	DID NOT SUBMIT																
Port Alexander	101		758				505						1,263	47	1,310	985	465
Port Heiden	91		683					39,900*			4,000*		44,583	11,703	56,286	42,311	
Port Lions	232	2,784	1,740	464**		1,160	1,160	3,660*					10,968	823	11,791	8,864	
Quinhagak	448	5,376	3,360					1,875*			4,000*		14,611	4,383	18,994	14,278	
Ruby	220		1,650			1,100							2,750	928	3,678	2,765	
Russian Mission	DID NOT SUBMIT																
Saint Mary's	436	5,232	3,270	872**		2,180	2,180	9,945* 9,189**			4,000*		36,868	11,060	47,928	36,029	
Saint Michael	282	3,334	2,115			1,410					4,000*		10,909	3,273	14,182	10,661	
Saint Paul	567	6,804	4,253	1,134**		2,835		56,250*					71,276	18,710	89,986	67,645	

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Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Sand Point	773		5,798	1,546**	1,546	3,865	3,865	12,000*			4,000*		32,620	8,563	41,183	30,958	
Savoonga	409	4,908	3,068			2,045					4,000*		14,021	4,206	18,227	13,702	8,151
Saxman	272		2,040	544**		1,360		4,330*					8,294		8,294	6,235	
Scammon Bay	232	2,784	1,740	464**		1,160		1,875*			4,000*		12,023	3,607	15,630	11,749	
Selawik	505	6,060	3,788										9,840	3,324	13,172	9,902	
Seldovia	528	6,336	3,960			2,640	2,640	9,720*			4,000*		29,296	2,197	31,493	23,674	
Seward	1,778	21,336	13,335			8,890	8,890	27,518*	3,556	75,000*	4,000* 64,000**		226,525	16,989	243,514	183,055	
Shageluk	DID NOT SUBMIT																
Shaktoolik	160	1,920	1,200	320**				5,250* 16,200**			4,000*		28,890	8,667	37,557	28,232	376
Sheldon Point	DID NOT SUBMIT																
Shishmaref	373	4,476	2,798			1,865		2,970*			4,000*		16,109	4,833	20,942	15,743	823
Shungnak	198	2,376		396**		990					4,000*		7,762	2,620	10,382	7,804	
Skagway	877	10,524	6,578		1,754	4,385	4,385	14,250*			4,000*		45,876	3,441	49,317	37,073	
Soldotna	2,365	28,380	17,738	4,730**		11,825	11,825	38,320*					113,318	8,499	121,817	91,573	
Stebbins	309	3,708	2,318			1,545					4,000*		11,571	3,471	15,042	11,307	2,820
Tanana	499	5,988				2,495		16,575*					25,058	8,457	33,515	25,194	
Teller	258	3,096				1,290		4,035*			4,000*		12,421	3,726	16,147	12,138	
Tenakee Springs	141	1,692	1,058			705	705	1,500*					5,660	212	5,872	4,414	1,541
Togiak	474	5,688		948**		2,370		7,500*					16,506	4,333	20,839	15,665	
Toksook Bay	336	4,032	2,520	672**		1,680					4,000*		12,904	3,871	16,775	12,610	
Tuluksak	258	3,096	1,935			1,290		4,500* 16,200**			4,000*		31,021	9,306	40,327	30,315	
Tununak	299	3,588	2,243			1,495					4,000*		11,326	3,398	14,724	11,068	

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Municipality	Pop.	Police	Fire	Air/Water Pollution	Land Use Planning	Parks and Recreation	Transportation	Roads	Health Services	Hospital Facilities	Health Facilities	Constr. Aid	Entitlement	COLA	Total Entitlement	Prorated 75.1723% Entitlement	Adjustment
Unalakleet	632	7,584	4,740	1,264**	1,264	3,160		13,830*			4,000*		35,842	10,753	46,595	35,027	
Unalaska	768	9,216	5,760			3,840		57,630*			4,000* 6,000**		86,446	22,692	109,138	82,042	
Upper Kalskag	166	1,992	1,245			830							4,067	1,220	5,287	3,974	
Valdez	4,066	48,792	30,495	8,132**	8,132	20,330	20,330	17,430*	8,132	75,000*	4,000*		240,773	45,145	285,918	214,931	
W inwright	DID NOT SUBMIT																
Wales	DID NOT SUBMIT																
Wasilla	2,184							66,180*					66,180	2,482	68,662	51,615	
White Mountain	DID NOT SUBMIT																
Whittier	292	3,504	2,190	584**		1,460	1,460	15,750*			4,000*		28,948	4,342	33,290	25,025	
Wrangell	3,325	39,900	24,938	6,650**	6,650	16,625	16,625	10,560*	6,650	75,000*	4,000*		207,598	7,785	215,383	161,908	
Yakutat	442		3,315	884**	884	2,210	2,210	4,965*			4,000*		18,468	1,385	19,853	14,924	
Total Cities		1,379,658	887,936	179,144	66,862	417,765	311,415	1,179,618* 226,331**	118,196	772,000	557,000	1,351,370	7,446,845	1,213,772	8,660,617	6,510,383	77,003

* See Page 3 for an explanation of the asterisked amounts under the categories of Air/Water Pollution Control, Roads, Hospitals, Health Facilities and Construction Aid.

Volunteer Fire Departments	Pop.	Entitlement	COLA	Total Entitlement	Prorated Entitlement 75.1723%
Akutan	81	608	160	768	577
Arctic Village	128	960	324	1,284	965
Atka	DID NOT SUBMIT				
Beaver	DID NOT SUBMIT				
Belkofski	DID NOT SUBMIT				
Birch Creek	40	300	45	345	259
Chalkyitsik	DID NOT SUBMIT				
Chignik	DID NOT SUBMIT				
Chignik Lake	118	885	232	1,117	840
Chitina	40	300	56	356	268
Circle	DID NOT SUBMIT				
Copper Center	433	3,248	487	3,735	2,808
Cordova	445	3,338	501	3,839	2,886
Crooked Creek	112	840	284	1,124	845
Delta Junction	725	5,438	816	6,254	4,701
Dot Lake	DID NOT SUBMIT				
Glennallen	930	6,975	1,046	8,021	6,030
Gulkana	DID NOT SUBMIT				
Iliamna	DID NOT SUBMIT				
Kipnuk	356	2,670	801	3,471	2,609
Klukwan	122	915	69	984	740
Kolliganek	144	1,080	284	1,364	1,025
Kongiganak	APPLICATION DENIED				
Kwigillingok	201	1,508	452	1,960	1,473
Levelock	DID NOT SUBMIT				

Volunteer Fire Departments	Pop.	Entitlement	COLA	Total Entitlement	Prorated Entitlement 75.1723%
Mentasta Lake	DID NOT SUBMIT				
Metlakatla	1,119	8,393		8,393	6,309
Minto	DID NOT SUBMIT				
Myers Chuck	DID NOT SUBMIT				
Nelson Lagoon	DID NOT SUBMIT				
Nenana	280	2,100	709	2,809	2,112
Noatak	DID NOT SUBMIT				
Nome	252	1,890	567	2,457	1,847
Northway Village	DID NOT SUBMIT				
Pelican	31	233	17	250	188
Perryville	101	758	199	957	719
Pitka's Point	DID NOT SUBMIT				
Rampart	APPLICATION DENIED				
Saint George Island	DID NOT SUBMIT				
Skagway	48	360	27	387	291
Sleetmute	131	983	258	1,241	933
Stevens Village	DID NOT SUBMIT				
Telida	32	240	81	321	241
Tok	854	6,405	961	7,366	5,537
Tri-Valley (Healy)	716	5,370	1,812	7,182	5,399
Tuntutuliak	242	1,815	545	2,360	1,774
Twin Hills	DID NOT SUBMIT				
Yakutat	139	1,043	78	1,121	843
Total VFD's		58,655	10,811	69,466	52,219

Terry
Gar 4/3/16

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 22, 1980

TO: Representative Terry Gardiner

FROM: Senator Arliss Sturgulewski

RE: House Bill 192

Several times we have discussed HB 192, Municipal Revenue Sharing. After passage by the House, I will ask that this bill be referred to my committee. I'm enclosing a copy of a letter received from Palmer McCarter of the Department of Community and Regional Affairs. I think you will be interested in paragraphs two and three as they relate to the question of revenue sharing for hospitals. You indicated that you intended to do some work as far as your bill related to hospitals and I thought this might be useful information.

The first paragraph in the memo relates to SB 16 which increases road maintenance under the current revenue sharing program. I do not intend to move this out of committee at this time but will hold it for consideration along with House Bill 192. I would appreciate your keeping my office advised of the progress of your bill. It would be helpful for me to have a staff representative at the Finance Committee hearing on this bill.

Enclosure

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B
JUNEAU, ALASKA 99811

March 17, 1980

The Honorable Arliss Sturgulewski
Chairman
Senate Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

RE: HB 192 AND SB 16
MUNICIPAL REVENUE SHARING

Dear Senator Sturgulewski:

Your office has inquired about the relationship of Senate Bill No. 16 to House Bill No. 192. The provisions of Senate Bill No. 16, which increases road maintenance aid under the municipal services revenue sharing program, have been incorporated into House Bill No. 192. House Bill No. 192 would repeal the existing revenue sharing program established by AS 43.18.010 and replace it with a shared revenue formula based on a municipality's tax effort compared to its taxable wealth. The non per capita categories funded under the current program, including road maintenance aid, are reinstated by House Bill No. 192. House Bill No. 192 effectively supercedes and includes Senate Bill 16.

Construction Aid is another of the non per capita categories retained by House Bill No. 192. In FY 1980, entitlements for this one category total more than $7 million. Only a few non-profit hospitals are benefiting from this category of payment, and all local governments are indirectly contributing towards the construction of these hospitals through a low proration factor. It would appear that construction aid for hospitals and health facilities should be administered by the Department of Health and Social Services, and it is suggested that the category be eliminated from House Bill No. 192.

As an alternative to elimination of construction aid from the revenue sharing reform bill, it is at least suggested that the definition of "total project cost" include only the actual cost of construction. House Bill No. 192 currently allows all project-related costs, including land and financing, which is consistent with existing law. However, it is this recently enacted statutory definition of total project cost that has caused the construction aid entitlements to skyrocket and that has resulted in hospitals being reimbursed for financing costs before these costs are even incurred. In addition, reimbursement for hospital construction under the State Revenue Sharing Program is made without regard to the financial condition of the hospital or any other criteria which considers need.

21-P3LH

The Department of Community and Regional Affairs supports the equalization of municipal tax resources through revenue sharing and the minimum entitlement proposed by House Bill No. 192.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

cc: Marie Pignalberi, Deputy Director
Keith Specking, Special Assistant
Office of the Governor

HB 192

4

Page 10, line 6

Delete "and serving an area not in an organized borough or a city"

Page 10, line 11

Delete "in an area not in an organized borough or a city"

CSHB 192 (Fin) am

Mr. Rogers moved and asked unanimous consent that amendment No. 2 be adopted. There being no objection, amendment No. 2 was adopted.

Mr. Brown moved and asked unanimous consent that CSHB 192(Fin)am be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

CSHB 192(Fin)am was read the third time.

The question being: "Shall CSHB 192(Fin)am pass the House?" The roll was taken with the following result:

CSHB 192 (Fin) am

CSHB 192(Fin)am

4/22

Yeas:	25	Anderson, Beirne, Branson, Brown, Buchholdt, Carney, Cotten, Duncan, Fuller, Gardiner, Guy, Hurlbert, McKinnon, Malone, Miles, Miller, Munson, O'Connell, Osterback, Parker, Parr, Rogers, Schaeffer, Smith, Zharoff
Nays:	9	Barnes, Bettisworth, Chatterton, Eliason, Hayes, Martin, Montgomery, Phillips, Randolph
Not voting:	6	Freeman, Halford, Haugen, Meekins, Metcalfe, Moss

And so, CSHB 192(Fin)am passed the House.

Mr. Brown moved that the effective date clause on CSHB 192(Fin)am be adopted.

The question being: "Shall the effective date clause be adopted?" The roll was taken with the following result:

CSHB 192(Fin)am eff. date

Yeas:	31	Anderson, Beirne, Branson, Brown, Buchholdt, Carney, Chatterton, Cotten, Duncan, Eliason, Fuller, Gardiner, Guy, Halford, Hayes, Hurlbert, McKinnon, Malone, Miles, Miller, Montgomery, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Schaeffer, Smith, Zharoff
Nays:	4	Barnes, Bettisworth, Martin, Randolph
Not voting:	5	Freeman, Haugen, Meekins, Metcalfe, Moss

And so, the effective date clause was adopted.

Mr. Eliason gave notice of reconsideration of his vote on CSHB 192(Fin)am on the next legislative day.

Katherine Schmall 3/10/80 w/ delegation from Kent Co.

1. Extension unemployment benefits.
major problems w/ unemployment.
Food Stamps program not extended.
need some loan program — extension

2. Trying to develop industrial projects.
not many #'s.
want projects expedited from
plus right now.

Mat Elliott covered new area.
Feels it should be declared an
economic disaster area. Talked
about Michigan being declared
economic disaster area. Extended
mtgs. etc — end around play.
sees social disaster going on —
foreclosures going on.

Malcolm Check — Mgr. Dir. M.E.A.
Key point is cash flow.
Cust mers can not pay — want
extensions. Forced into tapping
security documents. Utility
challenges are many
Down from 129 — to 115 w/ contractors
Long range — tie line / Sesitoa w/o contractors

needed for economical power situation and for long range economic stimulus.

Nunn Lexington — wants to see adjusted 1 year turn around on payment ent/principal -- heavy until 1 year turn around. prohibit. want 100% ~~taxable~~ municipal. Sharing.

Paint McKenzie — aggressive program.

March 9, 1980

Ronald L. Larson, Mayor
Matanuska-Susitna Borough
Box B
Palmer, Alaska 99645

Dear Ron:

Thank you for your letter of March 3 regarding various municipal revenue sharing items. You will want to check with Senator Kerttula regarding supplementals in revenue sharing. I did want you to know that HB 192, dealing with municipal revenue sharing, is probably going to come over from the House sometime toward the end of the month. I am assuming it will be sent to the Community and Regional Affairs Committee for review. Your comments will be helpful.

As I'm sure you are aware, the State Board of Education had a committee forum that did substantial work on the foundation program for support of schools. This matter is currently before the House Finance Committee. When it comes to the Senate, it probably will be assigned as a committee referral to Senate HESS. Again, your comments will be most helpful in that consideration. Additionally, as an outgrowth of the interim local government committee, we are having an additional paper prepared which speaks to some of the areas of disincentive to formation of local governments. One of the items is the disparity that exists between REAA's receiving 100 percent of construction costs while organized governments receive only 80 percent, and that 80 percent is contingent to total dollars available. I share your concern over this inequity and would certainly assist in any effort to see this inequity corrected.

Thank you for sharing this information.

Kindest personal regards,

Arliss Sturgulewski
Senator, District 10-H

Matanuska-Susitna Borough

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

BOROUGH ASSEMBLY

March 3, 1980

Arliss Sturgulewski, Senator
State Senate
Pouch V
Juneau, AK 99811

Dear Senator Sturgulewski:

It has been called to the Matanuska-Susitna Borough Assembly's and my attention that there doesn't appear to be any legislation being proposed which will increase the funds programmed for local schools. Operational costs of schools have taken a dramatic increase in current years which is placing an even greater burden on the local government. Preliminary figures indicate that our local school budget will increase somewhat in excess of 30% for fiscal year 1981. Without corresponding increases in the foundation program, I am sure you can understand what this impact will do to the taxpayers.

We respectfully request that the Legislature investigate the possibility of equalizing the cost of education to the taxpayer in those unincorporated areas and incorporated areas. It seems extremely unjust that those areas which are attempting to help themselves, mainly the incorporated areas, should be penalized by receiving less assistance from the State coffers.

Some years ago the Legislature developed a program for State aid to assist local governments in the retirement of school construction debt. This legislation has been modified several times and we are asking that the Legislature again review the program, keeping in mind two particular items which we feel are of the greatest concern. The first item relates to the inequity of assistance between organized and unorganized areas whereby facilities are funded 100% in unorganized areas and 80% in organized areas, subject to availability of funds for the payment to organized areas. The Matanuska-Susitna Borough entitlement under the program for the fiscal year ending June 30, 1980, if paid at that level designated by legislation, would have been $2,577,515. Correspondence received from the Department of Community & Regional Affairs indicates that payment will be $2,014,439, or a shortfall of $563,076. They indicate this is the result of insufficient monies in the budget to cover those assistance payments at program level. The Borough requests that you look into a funding method which would assure ample monies will be available on an annual basis to fund the program as provided. In an effort to

assist the municipalities with their immediate needs, we would suggest that a supplemental appropriation be made to the 1980 fiscal year budget to fund the program at 100% of its designated amount.

The final item of concern in this area is in the State shared revenue for municipal services such as land use planning, parks & recreation, fire suppression and road maintenance. The Department of Community & Regional Affairs has informed the Borough that their entitlement will be $134,802 short for fiscal year 1980, again due to the fact that insufficient funds were requested in the 1980 fiscal year State budget to meet these commitments. The Borough asks that a supplemental appropriation be made to the 1980 fiscal year State budget in an amount sufficient to make the assistance payments to the municipalities at the program level.

Any financial assistance you can give us would be directly and immediately passed on to the taxpayers of the Borough in the form of lower taxation. I am sure you are all well aware of the economic and unemployment conditions in the Matanuska-Susitna Borough. Tax relief is an important and emotional issue among the residents, and the Assembly and I are doing everything we can to minimize the tax impact. Your assistance would be greatly appreciated.

Respectfully yours,

Ronald L. Larson, Mayor
Matanuska-Susitna Borough

RLL:clm

cc: Monte Hotchkiss
Matanuska-Susitna Borough School District

HB 123, Is there any one of these 1-5 that you prefer?

3/2/80

HB 192

Possible restructuring of HB 192 in order to acheive one or more of the following:

1. restructure to approach as nearly as possible a situation in which people pay the same equivilent tax rate, i.e. that reflects the true tax burden.

2. Restructure so that the formula gives more incentives for the formation of regional government in the unorganized borough.

3. Restructure the formula to include greater incentives for local assumption of service delivery.

4. Definition of "need" and how to work it into the formula

5. Greater emphasis on more state support for less wealthy areas (p. 7)

JK tells us that HB 192 can be improved by creation of incentives for the transfer of service delivery, for local government formation in the unorganized boro, by encouragement of local effort in funding basic or additional services , and to encourage efficient service delivery. It seems to me that one of the above should be selected with a view toward amending the ~~xxxxxx~~ HB 192 formula to include that element.

Revenue sharing bill clears House

4/23/80

By ROXINNE ERVASTI
The Associated Press

JUNEAU — The House gave narrow approval today to a bill increasing revenue sharing to local governments to $31 million this year.

The bill, which passed 25-9 could come up for a vote later, however, as Rep. Dick Eliason, a prime opponent, gave a "notice of reconsideration."

Eliason's main complaint was that his hometown, Sitka, would have just a slight increase in state revenue sharing compared to cities he believes are similar in population, tax base and incomes.

House Speaker Terry Gardiner, D-Ketchikan, who has pushed the bill for the past three years and calls it a "reform" of the revenue sharing proposal, said lawmakers who looked only to the figures of their areas were not looking at revenue sharing on a statewide basis.

Gardiner also said they are assuming that what their areas have received under the current formula are equitable.

The bill (CSHB192) continues the $8 million appropriation for hospital construction and special categorical grants based on miles of road in a municipality and other services.

But Gardiner said it revises the general formula for distributing money to take into account local revenue raising resources of a community and how much of an effort it makes to tap them. It would also guarantee at least $25,000 to small communities which previously received little or no revenue sharing, and would guarantee that no municipalities receive less money in the next five years thar they do now.

The bill must still be approved by the Senate, and some legislators who voted against it in the House said they expect changes to be made, pitching the issue into a House-Senate free conference committee.

Voting against the bill were Reps. Ramona Barnes, Bob Bettisworth, Chat Chatterton, Eliason, Joe Hayes, Terry Martin, Joe Montgomery, Randy Phillips and Dick Randolph.

Currently, the state revenue sharing formula provides about $12 million to local government and $8 million for health facilities.

With an increase to $23 million (excluding the $8 million for hospitals), Sitka would get about $255,000, or 1.12 percent of the total, compared to about $234,650 it receives now, or 1.95 percent of the total.

Meanwhile, Juneau, which gets 4.29 percent or $514,500 now, would get 6.52 percent of the total for nearly $1.5 million.

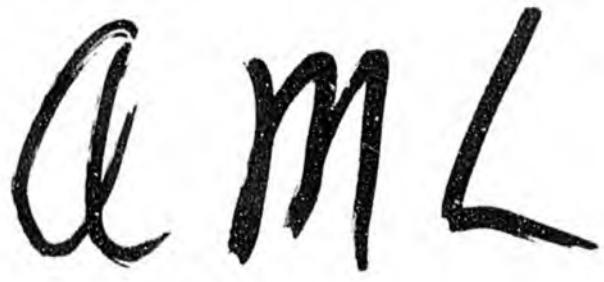
Ketchikan Gateway Borough would go from $74,306 now (a little over one-half of one percent of the total) to $283,240 or 1¼ percent of the total under the new bill.

Eliason recited some of those figures, and said "This is where I lose sense of this being equalization."

"It's patently unfair that ... we're penalizing those areas that are running good local governments and keeping down taxes," he said.

"Mr. Eliason is making the assumption that (Sitka's current share) is right and deserving," Gardiner said.

Under the revenue sharing bill, Anchorage would get about $8.2 million, an increase over nearly $5.4 million it gets now; Fairbanks North Star Borough would get nearly $1.7 million compared to about $938,000 it gets now, and Kodiak Island Borough would get nearly $161,000 compared to $52,600 now.



CATEGORY: DEVELOPMENT **AGENCY:** REVENUE

PROGRAM: COMMUNITY DEVELOPMENT **BRU (s):** SHARED TAXES

The Shared Taxes BRU assists local governments through the sharing of revenue generated from numerous state taxes.

The Shared Taxes BRU is charged with the responsibility of administering, in an accurate and timely manner, shared revenue accounts with local city and borough governments. Specified percentages of revenue generated within local municipal boundaries are returned to the local units in accordance with statutory provisions. The various shared taxes are Municipal Assistance, Aviation Fuel, Fisheries, Telephone and Electric Co-op, Liquor License, and Amusement and Gaming License. Chapter 144, SLA 1978 abolished the Gross Receipts Tax.

In FY 80, distribution of revenues and taxes amounted to $14,417,100. The Governor's budget for the FY 81 distribution for all revenues and taxes will be $16,670,000. With the exception of Municipal Assistance, the recommendation equals 100% of anticipated revenues for each tax as determined by statutory formula. The recommendation for Municipal Assistance is the same dollar amount as FY 80.

Costs associated with administration of this program are budgeted within the Administration and Support BRU, General Government Category, within the Department of Revenue.

Phone Contact for more Information: Phil Wall 465-2313

SERVICE MEASURES	FY 79		FY 80	FY 81	
	Plan	Actual	Plan	Continuation	Total
Municipal Assistance	NEW	PROGRAM	$11,400.0	$11,400.0	$11,400.0
Liquor Tax	$608.0	$577.5	$555.0	$555.0	$600.0
Amusement and Gaming Tax	$74.1	$32.5	$36.0	$36.0	$36.0
Raw Fish Tax	$1,751.3	$1,739.1	$1,066.1	$1,066.1	$2,500.0
Electric and Telephone Co-op	$1,792.4	$1,792.4	$1,250.0	$1,250.0	$2,000.0
Aviation Fuel Tax	$134.0	$130.6	$110.0	$110.0	$134.0

FCCS
CSSB
7

SENATE LETTER OF INTENT

ON
FCCS CSSB 7

Senate Bill 7 was the result of decisions made late in the 1978 legislative session. The Committee recognizes that it is not a perfect approach to revenue sharing, but there was insufficient time to address the overall question.

The intent of the revenue sharing portion of FCCS CSSB 7 is to refund approximately 150% of the revenues lost to municipalities by reason of the repeal of the Alaska Gross Business License Tax. It is the intent and purpose of the Legislature that one-third of the receipts of Sec. 43.20.016 be used to reduce property taxes in the municipalities involved, and that the additional money not be used for more services. The Committee recognizes that Sec. 43.20.016 is an imperfect vehicle to assure compliance with this intent and that some administrative problems will result from its passage. Thus AS 43.20.016 is not to be regarded as anything other than a temporary expedient, to be refined and improved by future Legislatures.

It is the sense of the Committee that the entire question of revenue sharing should be evaluated by the Eleventh Legislature and that Sec. 43.20.016 be reviewed in that context.

Respectfully submitted,

Sen. Clem Tillion, Chairman Rep. Orul Freeman, Chairman

The Secretary was requested to notify the House.

June 16, 1978

FCCS
SB
409

Mr. President:
Mr. Speaker:

The Free Conference Committee which has had SENATE BILL NO. 409 and SENATE BILL NO. 409 amended House under consideration recommends that FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 409 be adopted.

Senator Members: Senator Rodey, Chairman, and Senators Croft and Sackett. House members: Representative Gruening, Chairman, and Representatives Duncan and Carpenter.

STATE REVENUE SHARING -
Based on Anchorage CPI 1971 to 1979

MUNICIPAL SERVICE	PRESENT RATE OF ENTITLEMENT	FISCAL YEAR RATE WAS ESTABLISHED	% INCREASED BASED ON ANCHORAGE CPI INDEX	RATE ADJUSTED FOR 1979 INFLATION
Police Protection	$ 12.00 per capita	1975	40%	$16.80
Military	6.00 per capita	1975	40%	8.40
Fire Protection	7.50 per capita	1976	30%	9.75
Air/Water	2.00 per capita	1971	89%	3.78
Land Use Planning	2.00 per capita	1971	89%	3.78
Parks & Recreation	5.00 per capita	1971	89%	9.45
Military	1.25 per capita	1974	60%	2.20
Transportation Facilities	5.00 per capita	1971	89%	9.45
Military	2.50 per capita			4.00
Road Maintenance				
Public Roads	1,500.00 per mile	1971	89%	2,835.00
Ice Roads	900.00 per mile	1976	30%	1,170.00
Health Facilities	1 000.00 per bed or	1971	89%	1,890.00
	4,000.00 per facility			7,560.00
Health Services	2.00 per capita	1977	23%	2.46
Hospitals	75,000.00 per hosp. or	1977	23%	92,250.00
	25,000.00 per hosp. or			30,750.00
	1,000.00 per bed			1,230.00
State Construction Aid	2,500.00 per bed or 5% of total project cost	1972	84%	4,600.00

FY 80 totals $27,031,915

$38,891,494

Municipality	Per Capita Cost for: police	fire	pollution	planning	P & R	Trnsp.	Mill levy: 1970	1979
Mun. of Anchorage	$ 120	75	-	-	40	75	21.98	14.44
Cordova	-	-	-	-	-	-	14	17
Dillingham	84.48	11	10.63	3.20	12.71	50.56	15.5	10
Fairbanks	97	109	64	-	-	-	10	8.5
Haines Borough		836.69					4.5	2
Kenai	124	124	82	-	16	26	7	12.5
KIB	-	-	-	-	-	-	5	2.5
Ktn. Gateway Bo.	-	39.32	-	21.96	86.39	-	4	4.5
Mat-Su Bo.	-	-	-	-	-	-	14	7.4
Palmer	176	43	44	-	-	16.50	4.5	5
Petersburg	145.41	18.45	85.46	14.48	4.69	33.53	no answer	
Skagway	115.16	29.16	-	-	9.33	-	20	8.3
Unalaska	550	112	-	-	8	4	19	14
Wrangell	74.75	16.45	33.32	1.45	5.71	27.87	no answer	
Yakutat		36.20					last 4 yrs. - 13.7	

Out of 13 municipalities who responded to the questionnaire in regard to the mil levy, only four had not lowered their mil levy, most of them lowered it considerably.

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM March 3, 1980

TO: Representative Jim Duncan

FROM: Jack Kreinheder
Issues Analyst

RE: Effect of Inflation on Revenue Sharing Entitlements
Research Request No. 94

You have asked that we determine what the total revenue sharing entitlement would be if the entitlement rates for the various categories had kept pace with inflation over the years. Based on the inflation figures provided by Ginny Chitwood of the Alaska Municipal League, the current entitlement would be $38,891,494 when adjusted for inflation. This figure compares to the entitlement under present law of $27,031,915. The inflation-adjusted entitlement would be about 44 percent higher than the current entitlement.

One major point must be made regarding the above analysis. I did not inflate the current hospital construction aid entitlements, because these entitlements are administered on a percentage of total costs basis, and have therefore increased with inflation as total construction costs have risen. Current law provides that construction aid be granted at the rate of $2,500 per bed or 5% of the total project costs; however, all of the entitlements under this category have been made on the percentage basis. It is therefore not appropriate to inflate the entitlement amount for this category.

Please contact us if we may be of further assistance. It should be noted that with our present workload, we ordinarily could not have met your request as soon as we did, but the simplicity of the analysis allowed an exception to be made in this case. We have hired additional temporary staff, and our workload and response time should improve soon.

JK/dp

cc: Ginny Chitwood
Alaska Municipal League

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM

February 25, 1980

TO: Representative Terry Gardiner

FROM: Jack Kreinheder, Issues Analyst

RE: HB 192 - Computer Runs Excluding Hospital and Health Entitlements
Research Request No. 64

As you requested, I have produced five alternative entitlement breakdowns for HB 192, all of which exclude the revenue sharing entitlements for hospital and health facility operation, hospital construction, and health power grants. A chart summarizing the results is attached, as are the more detailed computer printouts on which the chart is based. The total current entitlement under present statutes for these categories, including the cost of living allowance and the partial funding proration factor, is $8,259,162. I have subtracted this value from the original HB 192 total entitlement of $27,000,000 to arrive at a base or midpoint value for comparative purposes of $18,740,838.

Four other runs were made on the low side and the high side of this midpoint value using $2 million increments, as you requested. These entitlement values were $14,740,838, $16,740,838, $20,740,838, and $22,740,838, respectively.

I'm sorry for the delay in providing these runs, but the updating process required considerably more time than I expected. The model is now updated and complete.

Please let me know if you have any questions or would like additional runs. As you know, the Agency has a very full workload at the present time, but we will do what we can to provide any further research or computer work on HB 192 as quickly as possible.

JK/dp

Percentage Breakdown of Population and Entitlements
Excluding Hospital and Health Funding

LOCAL GOV'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740,838)
First Class Cities (con't)						
28.Nenana	$ 28,578(0.23%)	$ 50,759(0.34%)	$ 54,856(0.32%)	$ 58,893(0.31%)	$ 62.806(0.30%)	$ 66,622(0.29%)
29.Nome	111,941(0.93%)	130,675(0.88%)	154,780(0.92%)	179,016(0.95%)	203,053(0.97%)	226,855(0.99%)
30.North Pole	29,197(0.24%)	40,212(0.27%)	43,028(0.25%)	45,787(0.24%)	48,444(0.23%)	51,024(0.22%)
31.Palmer	65,141(0.54%)	92,430(0.62%)	103,889(0.62%)	115,322(0.61%)	126,564(0.61%)	137,634(0.60%)
32.Pelican	4,816(0.04%)	21,574(0.14%)	22,440(0.13%)	23,091(0.12%)	23,563(0.11%)	23,908(0.10%)
33.Petersburg	94,268(0.78%)	108,439(0.73%)	130,365(0.77%)	152,440(0.81%)	174,367(0.84%)	196,101(0.86%)
34.Sand Point	27,161(0.22%)	35,614(0.24%)	38,602(0.23%)	41,551(0.22%)	44,414(0.21%)	47,208(0.20%)
35.Saint Mary's	32,119(0.26%)	44,315(0.30%)	45,608(0.27%)	46,800(0.24%)	47,864(0.23%)	48,840(0.21%)
36.Seldovia	20,441(0.17%)	27,081(0.18%)	29,786(0.17%)	32,469(0.17%)	35,090(0.16%)	37,660(0.16%)
37.Seward	64,622(0.53%)	79,759(0.54%)	88,203(0.52%)	96,595(.51%)	104,810(0.50%)	112,874(0.49%)
38.Skagway	33,840(0.28%)	39,462(0.26%)	43,364(0.25%)	47,236(.25%)	51,017(0.24%)	54,723(0.24%)
39.Soldotna	91,572(0.76%)	130,761(0.88%)	147,330(0.88%)	163,871(0.87%)	180,145(0.86%)	196,176(0.86%)
40.Unalaska	72,551(0.60%)	156,428(1.06%)	167,052(0.99%)	177,448(0.94%)	187,443(0.90%)	197,137(0.86%)
41.Valdez	137,150(1.14%)	134,405(0.91%)	135,569(0.80%)	136,368(0.72%)	136,753(0.65%)	136,868(0.60%)
42.Wrangell	95,108(0.79%)	158,245(1.07%)	194,225(1.16%)	230,508(1.22%)	266,609(1.28%)	302,433(1.32%)
43.Yakutat	11,691(0.09%)	22,756(0.15%)	23,464(0.14%)	23,992(0.12%)	24,366(0.11%)	24,631(0.10%)
Second Class Cities						
44.Akhiok	6.071(0.05%)	23,126(0.15%)	23,784(0.14%)	24,274(0.12%)	24,616(0.11%)	24,857(0.10%)
45.Akiachak	19,322(0.16%)	30,166(0.20%)	30,668(0.18%)	31,031(0.16%)	31,263(0.15%)	31,404(0.13%)
46.Akiak	3,588(0.02%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
47.Akolmiut	57,837(0.48%)	85,516(0.58%)	86,256(0.51%)	86,764(0.46%)	87,009(0.41%)	87,083(0.38%)
48.Alakanuk	23,029(0.19%)	29,519(0.20%)	30,107(0.17%)	30,538(0.16%)	30,823(0.14%)	31,009(0.13%)
49.Aleknagik	5,278(0.04%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
50.Allakaket	6,786(0.05%)	27,907(0.18%)	28,842(0.17%)	29,541(0.15%)	30,040(0.14%)	30,397(0.13%)
51.Ambler	13,654(0.11%)	29,585(0.20%)	30,295(0.18%)	30,820(0.16%)	31,179(0.15%)	31,423(0.13%)

Percentage Breakdown of Population and Entitlements
Excluding Hospital and Health Funding

LOCAL GOV'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740,838)
Second Class Cities (con't)						
52.Anaktuvuk Pass	$ -0-	$ 26,109(0.17%)	$ 27,285(0.16%)	$ 28,171(0.15%)	$ 28,819(0.13%)	$ 29,298(0.12%)
53.Anderson	13,734(0.11%)	29,439(0.19%)	30,168(0.18%)	30,708(0.16%)	31,080(0.14%)	31,333(0.13%)
54.Angoon	20,195(0.16%)	22,928(0.15%)	23,482(0.14%)	23,891(0.12%)	24,172(0.11%)	24,362(0.10%)
55.Aniak	25,938(0.21%)	37,355(0.25%)	37,679(0.22%)	37,901(0.20%)	38,008(0.18%)	38,040(0.16%)
56,Anvik	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
57.Atmautluak	17,981(0.15%)	31,202(0.21%)	31,564(0.18%)	31,821(0.16%)	31,966(0.15%)	32,037(0.14%)
58.Bethel	183,321(1.53%)	189,402(1.28%)	207,109(1.23%)	224,642(1.19%)	241,734(1.16%)	258,465(1.13%)
59.Brevig Mission	2,801(0.02%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
60.Buckland	2,905(0.02%)	26,109(0.17%)	27,285(0.16%)	28.171(0.15%)	28,819(0.13%)	29,298(0.12%)
61.Chefornak	3,925(0.03%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
62.Chevak	12,852(0.10%)	25,701(0.17%)	26,801(0.16%)	27,628(0.14%)	28,231(0.13%)	28,675(0.12%)
63.Chuathbaluk	10,321(0.08%)	29,172(0.19%)	29,938(0.17%)	30,505(0.16%)	30,899(0.14%)	31,170(0.13%)
64.Clark's Point	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
65.Delta Junction	22,320(0.18%)	27,367(0.18%)	27,719(0.16%)	27,970(0.14%)	28,118(0.13%)	28,197(0.12%)
66.Diomede	890(00.00%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
67.Eagle	3,674(0.03%)	23,800(0.16%)	24,630(0.14%)	25,251(0.13%)	25,696(0.12%)	26,017(0.11%)
68.Eek	7,350(0.06%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
69.Ekwok	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
70.Elim	4,580(0.03%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
71.Emmonak	16,449(0.13%)	27,584(0.18%)	28,431(0.16%)	29,063(0.15%)	29,510(0.14%)	29,826(0.13%)
72.Fort Yukon	40,167(0.33%)	50,397(0.34%)	50,833(0.30%)	51,133(0.27%)	51,277(0.24%)	51,321(0.22%)
73.Fortuna Ledge	13,260(0.11%)	28,451(0.19%)	29,182(0.17%)	29,724(0.15%)	30,098(0.14%)	30,356(0.13%)
74.Gambell	18,779(0.15%)	29,908(0.20%)	30,443(0.18%)	30,834(0.16%)	31,087(0.14%)	31,246(0.13%)
75.Golovin	2,825(0.02%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)

Percentage Breakdown of Population and Entitlements
Excluding Hospital and Health Funding

LOCAL GOV'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740,838)
Second Class Cities (con't)						
76.Goodnews Bay	-0-	$ 25,377(0.17%)	$ 26,520(0.15%)	$ 27,381(0.14%)	$ 28,011(0.13%)	$ 28,477(0.12%)
77.Grayling	7,465(0.06%)	28,240(0.19%)	29,130(0.17%)	29,795(0.15%)	30,266(0.14%)	30,601(0.13%)
78.Holy Cross	10,435(0.08%)	28,773(0.19%)	29,592(0.17%)	30,201(0.16%)	30.628(0.14%)	30,926(0.13%)
79.Hooper Bay	10,133(0.08%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
80.Houston	34,179(0.28%)	64,944(0.44%)	65,506(0.39%)	65,892(0.35%)	66,078(0.31%)	66,134(0.29%)
81.Hughes	1,231(0.01%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
82.Huslia	29,890(0.24%)	58,229(0.39%)	58,733(0.35%)	59,079(0.31%)	59,246(0.28%)	59,296(0.26%)
83.Kachemak	-0-	20,985(0.14%)	21,930(0.13%)	22,642(0.12%)	23,163(0.11%)	23,548(0.10%)
84.Kaktovik	2,413(0.02%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
85.Kaltag	6,763(0.05%)	27,441(0.18%)	28,439(0.16%)	29,186(0.15%)	29,723(0.14%)	30,112(0.13%)
86.Kasaan	432(0.00%)	19,521(0.13%)	20,400(0.12%)	21,062(0.11%)	21,547(0.10%)	21,905(0.09%)
87.Kiana	13,720(0.11%)	28,120(0.19%)	29,027(0.17%)	29,704(0.15%)	30,184(0.14%)	30,527(0.13%)
88.Kivalina	6,503(0.05%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
89.Kobuk	7,535(0.06%)	28,773(0.19%)	29,592(0.17%)	30,201(0.16%)	30,628(0.14%)	30,926(0.13%)
90.Kotlik	5,066(0.04%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
91.Kotzebue	111,653(0.93%)	109,419(0.74%)	110,366(0.65%)	117,885(0.62%)	128,118(0.61%)	138,168(0.60%)
92.Koyuk	5,126(0.04%)	25,759(0.17%)	26,851(0.16%)	27,672(0.14%)	28,270(0.13%)	28,710(0.12%)
93.Koyukuk	935(0.00%)	26,109(0.17%)	27,285(0.16%)	28.171(0.15%)	28,819(0.13%)	29,298(0.12%)
94.Kupreanof	474(0.00%)	20,253(0.13%)	21,165(0.12%)	21,852(0.11%)	22,355(0.10%)	22,727(0.09%)
95.Kwethluk	10,630(0.08%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
96.Larsen Bay	1,343(0.01%)	20,985(0.14%)	21,930(0.13%)	22,642(0.12%)	23,163(0.11%)	23,548(0.10%)
97.Lower Kalskag	46,218(0.38%)	87,163(0.59%)	87,918(0.52%)	88,436(0.47%)	88,685(0.42%)	88,760(0.39%)
98.Manokotak	5,101(0.04%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
99.McGrath	21,926(0.18%)	31,296(0.21%)	31,777(0.18%)	32,125(0.17%)	32,341(0.15%)	32,469(0.14%)

Percentage Breakdown of Population and Entitlements
Excluding Hospital and Health Funding

LOCAL GOV'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=$20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740,838)
Second Class Cities (con't)						
100.Mekoryuk	$ 4,165(0.03%)	$ 25,377(0.17%)	$ 26,520(0.15%)	$ 27,381(0.14%)	$ 28,011(0.13%)	$ 28,477(0.12%)
101.Mountain Village	35,024(0.29%)	45,544(0.30%)	45,939(0.27%)	46,209(0.24%)	46,340(0.22%)	46,379(0.20%)
102.Napakiak	11,129(0.09%)	26,982(0.18%)	27,910(0.16%)	28,604(0.15%)	29,101(0.14%)	29,458(0.12%)
103.Napaskiak	5,042(0.04%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
104.Newhalen	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
105.New Stuyahok	5,355(0.04%)	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
106.Newtok	3,687(0.03%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
107.Nightmute	3,048(0.02%)	26,024(0.17%)	27,081(0.16%)	27,874(0.14%)	28,451(0.13%)	28,872(0.12%)
108.Nikolai	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
109.Nondalton	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
110.Noorvik	17,332(0.14%)	27,574(0.18%)	28,554(0.17%)	29,287(0.15%)	29,814(0.14%)	30,194(0.13%)
111.Nulato	10,355(0.08%)	28,839(0.19%)	29,649(0.17%)	30,252(0.16%)	30.673(0.14%)	30,967(0.13%)
112.Nuiqsut	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
113.Old Harbor	14,176(0.11%)	23,366(0.15%)	23,993(0.14%)	24,457(0.13%)	24,780(0.11%)	25,004(0.10%)
114.Ouzinkie	2,922(0.02%)	21,360(0.14%)	22,255(0.13%)	22,927(0.12%)	23,417(0.11%)	23,777(0.10%)
115.Pilot Station	10,727(0.08%)	26,672(0.18%)	27,341(0.16%)	28,368(0.15%)	28,890(0.13%)	29,268(0.12%)
116.Platinum	20,298(0.16%)	41,085(0.27%)	41,441(0.24%)	41,685(0.22%)	41,803(0.20%)	41,838(0.18%)
117.Point Hope	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
118.Port Alexander	985(0.00%)	20,253(0.13%)	21,165(0.12%)	21,852(0.11%)	22,355(0.10%)	22,727(0.09%)
119.Port Heiden	38,515(0.32%)	82,275(0.55%)	82,988(0.49%)	83,477(0.44%)	83,712(0.40%)	83,783(0.36%)
120.Port Lions	8,863(0.07%)	22,291(0.15%)	23,061(0.13%)	23,637(0.12%)	24,050(0.11%)	24,346(0.10%)
121.Quinhagak	10,369(0 08%)	25,186(0.17%)	27,221(0.16%)	27,998(0.14%)	28,560(0.13%)	28,971(0.12%)
122.Ruby	2,764(0.02%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
123.Russian Mission	-0-	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
124.Saint Michael	6,751(0.05%)	25,377(0.17)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
125.Saint Paul	67,644(0.56%)	115,990(0.78%)	116,994(0.69%)	117,684(0.62%)	118,016(0.56%)	118,115(0.51%)
126.Savoonga	9,792(0.08%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)

Percentage Breakdown of Population and Entitlements
Excluding Hospital and Health Funding

LOCAL GOV'T	PRESENT LAW ENTITLEMENT (TOTAL=12,000,226)	HB 192 ENTITLEMENT (TOTAL=$14,740,838)	HB 192 ENTITLEMENT (TOTAL=$16,740,838)	HB 192 ENTITLEMENT (TOTAL=$18,740,838)	HB 192 ENTITLEMENT (TOTAL=20,740,838)	HB 192 ENTITLEMENT (TOTAL=$22,740,838)
Second Class Cities (con't)						
127.Saxman	$ 6,234(0.05%)	$ 20,965(0.14%)	$ 21,650(0.12%)	$ 22,163(0.11%)	$ 22,527(0.10%)	$ 22,788(0.10%)
128.Scammon Bay	7,840(0.06%)	26,186(0.17%)	27,221(0.16%)	27,998(0.14%)	28,560(0.13%)	28,971(0.12%)
129.Selawik	9,901(0.08%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
130.Shageluk	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
131.Shaktoolik	24,323(0.20%)	45,544(0.30%)	45,939(0.27%)	46.209(0.24%)	46,340(0.22%)	46,379(0.20%)
132.Sheldon Point	-0-	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
133.Shishmaref	11,833(0.09%)	26,659(0.18%)	27,650(0.16%)	28,358(0.15%)	28,881(0.13%)	29,260(0.12%)
134.Shungnak	3,782(0.03%)	26,109(0.17%)	27,285(0.16%)	28.171(0.15%)	28,819(0.13%)	29,298(0.12%)
135.Stebbins	7,398(0.06%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
136.Tanana	25,194(0.21%)	36,208(0.24%)	36,522(0.21%)	36,737(0.19%)	36,841(0.17%)	36,872(0.16%)
137.Teller	8,229(0.06%)	27,118(0.18%)	28,028(0.16%)	28,708(0.15%)	29,193(0.14%)	29,541(0.12%)
138.Tenakee Springs	4,414(0.03%)	20,769(0.14%)	21,612(0.12%)	22,246(0.11%)	22,706(0.10%)	23,042(0.10%)
139.Togiak	15,665(0.13%)	27,788(0.18%)	28,477(0.17%)	28,986(0.15%)	29,337(0.14%)	29,576(0.13%)
140.Toksook Bay	8,701(0.07%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
141.Tuluksak	26,405(0.22%)	43,952(0.29%)	44,332(0.26%)	44,594(0.23%)	44,720(0.21%)	44,757(0.19%)
142.Tununak	7,159(0.05%)	25,377(0.17%)	26,520(0.15%)	27,381(0.14%)	28,011(0.13%)	28,477(0.12%)
143.Unalakleet	29,882(0.24%)	31,344(0.21%)	31,688(0.18%)	31,929(0.17%)	32,063(0.15%)	32,124(0.14%)
144.Upper Kalskag	3,974(0.03%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
145.Wainwright	-0-	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
146.Wales	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
147.Wasilla	51,614(0.43%)	112,145(0.76%)	113,116(0.67%)	113,783(0.60%)	114,104(0.55%)	114,200(0.50%)
148.White Mountain	-0-	24,645(0.16%)	25,755(0.15%)	26,591(0.14%)	27,203(0.13%)	27,655(0.12%)
149.Whittier	21,567(0.18%)	29,583(0.20%)	29,839(0.17%)	30,015(0.16%)	30,100(0.14%)	30,125(0.13%)
150.Deering	3,276(0.02%)	26,109(0.17%)	27,285(0.16%)	28,171(0.15%)	28,819(0.13%)	29,298(0.12%)
151.Ext Fire Areas	-0-	19,521(0.13%)	20,400(0.12%)	21,062(0.11%)	21,547(0.10%)	21,905(0.09%)

Alaska MUNICIPAL League

TELEPHONES
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204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

3/27/80

Back up figures on Corporate Income Tax municipal assistance

In FY 79, each municipality received 60% of the money collected for calendar year '78 gross business license receipts tax - the last year that tax was in effect.

The original estimate was 12 million, but the shared amount ended up being $13,349,900. It was automatically 60% of the actual receipts and not subject to budget estimates and legislative appropriation. That 12 million estimate is apparently what was used in preparing the FY 80 budget.

According to the law and the footnotes in the statute supplements, the amount shared in FY 80 should have been an amount equal to or greater than 10% of the 1979 receipts, estimated at $257,400,000. Only 11.4 million was appropriated and only 11.4 million is in the FY 81 executive budget. The State estimates revenues from corporate and petroleum income taxes at $417 million for FY 80 and at $586 million for FY 81.

Amount shared with municipalities:

FY 79 actual: $13,349,900

FY 80 actual: $11,400,000

FY 81 budget: $11,400,000

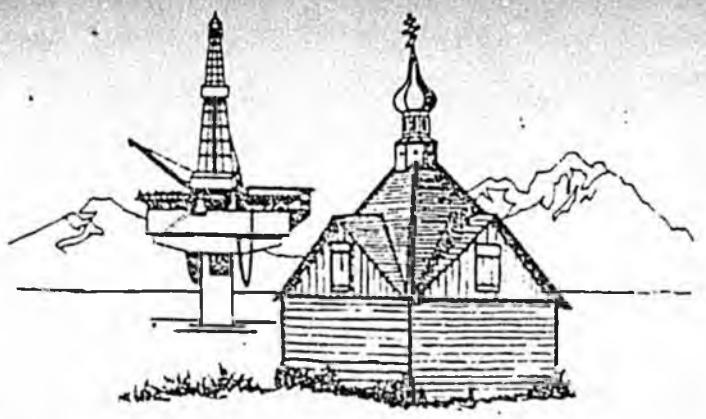
for the filing of the individual income tax return.

* Sec. 2. AS 43.20 is amended by adding a new section to read: 1/1/79

Sec. 43.20.016. SHARING OF CORPORATE INCOME TAX REVENUE WITH MUNICIPALITIES. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10 per cent of the income tax revenue received by the state under sec. 11(e) of this chapter and ch. 21 of this title for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

part (c) says this is additional money, to be distributed on the basis of population.



CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

March 7, 1980

Honorable Russ Meekins
Chairman, House Finance Committee
Pouch V
Juneau, AK 99811

Dear Representative Meekins:

The Legislature has an opportunity to correct an inequity in funding of the Municipal Assistance Fund and by so doing accomplish several other worthwhile goals expressed by the Legislature and the Administration.

A brief review of the history of the Municipal Assistance Fund will point up the inequity that has arisen. The municipalities, organized boroughs and cities, automatically received 60% of the gross business tax up to fiscal year 1979, the last year the tax was in effect. in degree of certitude of revenue, this was a most reliable income source. The State Legislature offered as a substitute for this income source, the Municipal Assistance Fund providing for distribution to municipalities of 10% of more of the corporate income taxes paid to the State. The municipalities, by accepting this substitute income source, went "at risk" in two ways. First, like the State they gave up the more reliable tax source, gross business receipts as compared to the uncertaintity of net income. Second, 60% of the gross business tax receipts was automatically distributed compared to annual legislative appropriating action. The State is at risk where it depends upon net income and the municipalities now are joined with the State. We are all aware of the State winning on their risk taking as corporate net income revenues have increase, the inequity is that so far the State Legislature has not seen fit to honor their commitment and pass on the 10% to the municipalities who shared the risk. We seek your aid in correcting this inequity. At the conclusion of this letter are the dollar amounts involved.

Further in your consideration is the achievement of other goals spoken of by Legislative members and Administration. Funds received by municipalities from this source will: lower real property mill rate or reduce the size of increase and will be visible to the citizens of the municipalities. In addition, fund distribution of this type puts the discretion of spending such funds at the most

1-29-79

State of Alaska
Department of Education
Chapt. 249, SLA 1970
STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
FY 1978-79

	100% of Debt Service 1976-77	Credit for Cash Payment Prior to FY72	50% of Cash Payment Prior to FY72	Cash Payment 1976-77	80% of 1976-77 Cash Payment	Debt Service @ 100% Plus Cash Payment	Cigarette Tax 1976-77	Total Entitlement	Actual Payment Prorated @ 79.9238%
Anchorage	11,969,389	1[illegible],338	9,669	1,942,254	1,553,803	13,532,861	1,090,725	12,442,136	9,944,227
Bristol Bay	149,585	16,723	8,361	--	--	157,946	13,180	144,766	115,702
Cordova	122,925	--	--	16,020	12,816	135,641	24,469	111,172	88,853
Fairbanks	3,959,632	321,065	160,532	573,180	458,544	4,578,708	295,209	4,283,499	3,423,535
Galena	--	--	--	76,812	61,449	61,449	9,560	51,889	41,471
Haines	95,948	--	--	--	--	95,948	21,902	74,046	59,180
Juneau	985,298	--	--	435,214	348,171	1,333,469	142,967	1,190,502	951,494
Kake	--	--	--	45,072	36,057	36,057	10,751	25,306	20,225
Kenai	2,300,759	483,758	241,879	1,624,771	1,299,817	3,842,455	169,044	3,673,411	2,935,928
Ketchikan	650,498	--	--	--	--	650,498	92,628	557,870	445,870
Kodiak	419,413	17,036	8,518	1,097	877	428,808	73,508	355,300	283,969
Mat-Su	2,085,979	1,842	921	189,120	151,296	2,238,196	108,207	2,129,989	1,702,369
Nenana	21,540	3,022	1,511	11,329	9,063	32,114	10,038	22,076	17,643
North Slope	1,828,748	--	--	--	--	1,828,748	42,576	1,786,172	1,427,575
Petersburg	343,855	44,629	22,314	--	--	366,169	25,602	340,567	272,194
Sitka	410,390	971	485	94,214	75,371	486,246	61,516	424,730	339,460
Skagway	26,784	--	--	--	--	26,784	11,592	15,192	12,142
St. Mary's	--	--	--	128,448	102,758	102,758	6,968	95,790	76,559
Unalaska	--	--	--	12,248	9,798	9,798	8,418	1,380	1,102
Valdez	135,188	4,563	2,281	27,832	22,265	159,734	30,856	128,878	103,004
Wrangell	24,651	--	--	15,000	12,000	36,651	23,140	13,511	10,798
Totals	25,530,482	912,947	456,471	5,192,611	37,254,085	30,141,038	2,272,856	27,868,182	22,273,300

FY 80
Anchorage entitlement 12,465,946
prorated payment 9,742,673
shortfall 2,723,273

FY 80 $ 30,512,110 78:154% of proration $ 24,081,000

FY 81 $ 35,252,000 $ 25,210,000

1/25/80 Mtg - w/ Reg Counsel + Reg Bureau
Ken Starzenski

Dual majority required - also seems to indicate that 3 plans have to go to voters.

Margaret has no problem w/ clarifying ① dual majority ② that 1 - 2 or 3 could go to voters

---

Sharp - Lennon

Petition assembly } some do not like assembly action [ordinance] having to go to voter
[maybe simplified referendum approach]

---

for Title 24
C+RA - a.m.L. 7 members each committee -

Allen Jenkins - Do voters only if method of apportionment changed -- Margaret agreed.

SK 137 3 times. CRA Dept left it (bill)
could use different approaches

** Election times - not too clear. Voting a problem
** Voting Act Rights - 7 days 7 days 7 days may have to go to 30-60-90 days
Significant [illegible] could be affected

Major work Governor 1/3/80 Chat w/ Benny Chitwood
✓ HB 66 - Rep. A.M.L. working w/ Bill Mules, House
Revenue & Dept of Nat Resources.

✓ Mary
✓ apportionment issue -- needs more work G.M.L.
m 1-2-79 will draft (A.M.L.) proposal.

— House legislation
✓ Sr. Citizen (League wants to clarify. Leagues ready.
(1) have a list for problem of rebate of exploration
— HB 192 - 82 in Budget
Hospital working - for follow up by G.M.L. not included
✓ Clerk
Coastal Zone - retire - Territorial A.M.L. ready

✓ Solid waste / (1) water + sewer A.M.L. ready
(2) new category 50% solid waste

ALASKA MUNICIPAL LEAGUE
LEGISLATIVE COMMITTEE MEETING
December 14, 1979

The meeting was called to order by Chairman Ron Larson at 9:30 am on December 14, 1979 in the assembly chambers of the City and Borough of Juneau. The following committee members were present: Ron Larson, Lee Sharp, Gene Moore, Lyman Hoffman, Marilyn Dimmick, Dan Keck, Mike Ribar, Allen Cronk, Ben Delahay, Mike Mikell, Bill Curtis, Bill Walker, Earl Richards, Barbara Shaffer, and Judi Slajer; staff: Ginny Chitwood.

Chitwood distributed information on the status of League sponsored bills, a list of League membership, and a list of the legislative committee members, board members and staff.

Agenda action list - from 1980 policy statement:

Public Employee Retirement (page 3, I-G,2) - Larson said he is working with Paul Arnoldt, Director of the State Division of Retirement and Benefits, and will have more to report at the next meeting.

Bill to Split out Hospital Funding from Revenue Sharing to Health and Social Services (Page 3, I-I (eye),2) - There was discussion on whether H&SS currently has the administrative structure to handle the program or whether there will have to be a new office set up. Curtis said that the same person who certifies the hospital and the number of beds for the present revenue sharing program should be able to handle the proposed program. Mikell said he would talk to Senator Glenn Hackney about legislation.

Senior Citizen Exemptions (page 4, I-L,4) - Dimmick reported that the Kenai Peninsula Borough unanimously passed a resolution endorsing exemption of the whole parcel owned and lived on by a senior citizen. Sharp distributed three alternatives. After striking the word "smallest" in alternate "B", the committee voted to endorse that version, (see attached). It was suggested that the pending ombudsman investigation be checked before seeking to have legislation introduced.

HB 66 Corrections - Sharp distributed a draft bill, labelled "D". He suggested the legislative committee support the concept of the bill and work to have it incorporated in the House Resources Committee bill, rather than have it introduced as League sponsored legislation.

The necessity for clarification of overriding state interest taking precedence over local selections was discussed. Cronk said he would prepare legislation inplementing the League's resolution dealing with land selection and grant regulations. Cronk distributed "land selection report". The committee adopted enclosures # 1, 3, 4 & 5, and adopted an amended version of Sharp's "D" instead of enclosure # 2, (see attached).

Land Selection - Mental Health Lands (Page 7, IV-B,2) - Cronk distributed draft "E", which includes two pages of definitions. The committee deferred action on the proposal. Sharp volunteered to revise the wording, (see attached).

Mineral Policy (page 16, IX-A,5) - Jim Nordale sent a draft labelled "F". After amending it slightly, the committee adopted draft "F", (see attached).

Controlled Livestock Districts (page 8, IV-8,1) - Nordale sent draft "G" which was adopted by the committee.

Extraterritorial Jurisdiction in Coastal Management Districts (page 8, IV-E,2) - Slajer distributed draft "H", which was adopted by the committee. It was noted that this proposal should be considered only a first step, not the complete answer to the problem addressed in the policy statement. Extraterritorial control is needed in addition to input to plan formation.

Majority Elections (page 12, VII-A,1) - Two bills, SB 126 and HB 341, have been introduced, both of which clarify the 40% plurality and contain a provision to opt out of the 40% rule.

Solid Waste (page 12, VI-D,1) - Perry Lovett sent draft "I" which was adopted by the committee in an amended version, (see attached). The committee voted to recommend to the board a new policy on resource recovery. The proposal to make grants or low interest loans for capital improvements available to private utilities was tabled until June.

Social Security Participation (page 15, VIII-E,2) - Staff was instructed to prepare a draft to implement this section.

Loans for Water and Sewer Projects and Title 29 Revisions (agenda items # 12 and # 13) These items were deferred until the next meeting.

Boat Tax - nothing new to report.

Assembly Apportionment and Reapportionment - Slajer distributed a draft bill. It was decided to defer action to allow time for review. Staff was directed to send copies of the draft bill and current law to municipal elected officials, administrators, clerks, attorneys and to AML board and legislative committee members. Larson will conduct a hearing on Friday, January 25, in the annex of the City and Borough of Juneau assembly chambers. Following the hearing, a draft bill and provisions will be presented to the board.

Legislative Priorities - The legislative committee recommended the following priorities to the board.

1. Assembly apportionment and reapportionment

2. Revisions to HB 66 (Chapter 85, SLA 79)
   a. state disposal
   b. subdivision override

3. Revenue sharing
   a. transfer hospital funding to H&SS, with no decrease in revenue sharing
   b. increase funding level by 300%
   c. revisions to formula should reflect philosophy of helping those who help themselves

4. Economic development, especially sections 2 & 4 of Part X

5. New foundation formula for education

6. Tax credits
   a. energy
   b. local support to school operations & capital projects

7. Front end funding for school capital projects

8. Grants and long term, low interest loans for construction of power and water projects

9. State funding for cultural and civic centers

10. Mineral policy

TENTATIVE

NOTICE OF MEETING

AML LEGISLATIVE COMMITTEE

April 17 & 18, 1980

in Juneau

If you have items you would like on the agenda, please notify Ron Larson at the Matanuska-Susitna Borough or the AML office.

ALASKA MUNICIPAL LEAGUE
204 North Franklin
Juneau, Alaska 99801
586-1325/586-6526

BOARD OF DIRECTORS 1979-80

Dave Walsh, President.....Municipality of Anchorage
Roberley Potter, First Vice President.....City and Borough of Sitka
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George Sullivan, Past President.....Municipality of Anchorage

LEGISLATIVE COMMITTEE 1979-80

Ron Larson, Chairman.....Matanuska-Susitna Borough
Paul Baer.....Municipality of Anchorage
Stuart Bowdoin.....Bristol Bay Borough
Ruth Burnett.....City of Fairbanks
Sam Coxson.....City of Whittier
Al Cronk.....Fairbanks North Star Borough
Bill Curtis.....City of Palmer
Ben Delahay.....City of Kenai
Marilyn Dimmick.....Kenai Peninsula Borough
Mitch Gravo.....Municipality of Anchorage
Lyman Hoffman.....City of Bethel
Dave Jensen.....Cities of King Cove and Sand Point
Nancy Kraning.....City of Bethel
Dan Keck.....City and Borough of Sitka
Carol Lechner.....City of Kodiak
Perry Lovett.....City of Cordova
Carol Maser.....Municipality of Anchorage
Bryan MacLean.....City of Barrow
Mike Mikell.....City of Fairbanks
Gene Moore.....City of Kotzebue
Jim Nordale.....Fairbanks North Star Borough
Ernie Polley.....City and Borough of Juneau
Joyce Rasler.....City of Wrangell
Mike Ribar.....Fairbanks North Star Borough
Earl Richards.....City and Borough of Sitka
Lidia Selkregg.....Municipality of Anchorage
Lee Sharp.....City and Borough of Juneau
Judi Slajer.....Ketchikan Gateway Borough
Barbara Shaffer.....City of Nome
Jonothan Soloman.....City of Fort Yukon
Bob Sundberg.....City of Fairbanks
Bill Walker.....City of Valdez
Betty Wallin.....Kodiak Island Borough
Ed Zastrow.....Ketchikan Gateway Borough

Staff: Ginny Chitwood, Executive Director
Marilyn Miller, Director, Program Services
Susan King, Administrative Assistant

Alaska Municipal League

S 86-1325

3/31/80 asked Jimmy Chatmond to develop wording for change. D.W. has some comments.

3/31/80

Asked D.W. to have Jimmy give Margo info on where various "muni rev" charges kind of falls more

3/25 2pm

Arlies:

I am hopeful that you will be succesful in developing a method or formula in funding the rail bank (1yr) or school debt service. This is certainly one of the basic local needs and drastically effects ad valorum taxes. I sorry I was not able to discuss this matter in more detail with you. If you are interested in knowing how this whole mess got started, I have info on it. Will call you later this week.

Yours

Note: Thanks for taking time out to speak to the Managers Assn.

H- given to me for you from Marilyn AHL

4/2/80

Dear Carlin

Re: School Construction Payments

I believe Pat Carney's bill, HB 638, with a few modifications, can solve the reimbursement delay problem. I would suggest a compromise between the two year delay in present law and the immediate payment, calling for a one year delay to allow the Department of Education time to review audits + to have some proof that payments were made + made for approved projects. (I talked to Norm Tenesque about this + he has no problem - in fact he suggested waiting until after the audit.)

This bill, however, will not solve any problems unless the legislature is willing to fully fund it. As a first step most municipalities would like to see current law funded at its authorized level. In FY 79 the appropriation was 5.6 million less than

entitlement; in FY 80, 6.7 million less; and proposed in FY 81, 5.2 million less.

Needless to say, AMC supports both full funding + shortening the delay -- reimbursement.

Thanks for your help,

Tommy

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

(907) 465-2300

OFFICE OF THE COMMISSIONER

POUCH S – JUNEAU 99811

April 9, 1980

The Honorable Senator Sturgulewski
Chairman
Senate Community & Regional
Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am enclosing a memo from Phil Wall, Director of Administrative Services, explaining how the entitlement for Municipal Assistance is arrived at. The Governor's budget request for FY 1981 is $11,400,000 and so Anchorage's entitlement would again be $4,918,924, plus a portion of the $828,470 over the base amount of $10,571,530.

The projections below are combined estimate totals for the petroleum and corporate income taxes for FY 1981 through 1985 in millions of dollars:

FY 81	FY 82	FY 83	FY 84	FY 85
586	955	1,110	1,267	1,334

AS 43.20.016 states that the Legislature may appropriate 10% of the petroleum & corporate income tax collected, or more, to the Municipal Assistance Fund. If 10% were appropriated, based on the above revenue projections, the amounts in the fund would be (in millions of dollars):

FY 81	FY 82	FY 83	FY 84	FY 85
58	95	111	127	133

Because of the constitutional problem of dedication of funds, AS 43.20.016 only suggests that the Legislature may use a 10% formula for appropriating money to the Municipal Assistance Fund. AS 43.20.016(b) and (c) spell out how amounts more or less than the suggested 10% formula are to be distributed. Policy and budget considerations by the Administration and the Legislature have determined the amount actually appropriated to the fund in recent years.

Using the suggested 10% formula Anchorage's entitlement would be the base amount of $4,918,924 and then the excess would be shared by using the per capita rules contained in AS 43.20.016(c). The entitlement utilizing this formula for FY 81 through FY 85 would be (in millions of dollars):

FY 81	FY 82	FY 83	FY 84	FY 85
26	42	49	57	59

If you have any further questions please do not hesitate to call.

Sincerely,

Denna L. Cline

Denna L. Cline
Special Assistant

DLC:ml1
Enclosure

STATE
of ALASKA

MEMORANDUM

RECEIVED
APR 2 1980
OFFICE OF THE COMMISSIONER

TO: Joseph K. Donohue
Deputy Commissioner

DATE: April 2, 1980

FILE NO:

TELEPHONE NO. 465-2313

FROM: Phil A. Wall, Director
Administrative Services Division

SUBJECT: Municipal Assistance Sharing

The old Alaska Business License sharing ended on December 31, 1979. The first Municipal Assistance sharing for fiscal year 1980 occurred in March, 1980 under AS 43.20.016. This new sharing program established the base amount to be shared as the actual amount shared to each municipality in fiscal year 1978. The actual fiscal year 1978 amounts were:

Anchorage Municipality	Statewide
$4,918,924	$10,571,530

The law also allows for the distribution of an appropriation which is larger or smaller than the $10,571,530 base amount. For fiscal year 1978 an amount of $11,400,000 (or $828,470 more than the base amount) was appropriated. Some adjustment to the base amount may occur as a result of our request for opinion, but, most of the excess will be shared to municipalities under the per capita rules contained in AS 43.20.016 (c).

The fiscal year 1981 Municipal Assistance Fund appropriation request is again $11,400,000. This is the amount approved by the Governor.

Allied Rady 4-1-80

T RUSH

Get Jay Hogan ^ 3795 to pull
pertinent ~~to~~ statutes for
Us. Show amount
entitlement + amount
paid since enactment.
Since 1981 est entitlement
+ ½ Bri's budget. $ 11.4
-St.wd-
Also ask if any not broken done
projections ~~of this~~
tax cap + Jet
income tax for next
5 years or so +
entitlement based on
~~that~~ those figures
9/

(3795)

3-31-80 Per Milt Barker Budget/audit

	Statewide	Should have Received Anchorage	Did receive Anchorage
1978	$10,567,000	$4,918,922.16 (=Base)	
1979	13,349.900		
1980	$11.4 mi (Should have been $25.7 mi)		
1981	41.6		26
1982	58.6		42

Formula
Anchorage will always receive Base Figure plus extra for population

Does not have Gov's Budget Breakdown
$11.4 mi - is all together

Does not have any figures on Corp. & petroleum income taxes.

Should be able to obtain from Revenue tomorrow.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 19, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing concerning municipal assistance from general and petroleum corporate income tax receipts.

In the process of repealing the gross business license tax, the Legislature eliminated a source of income for municipalities - 60% of the gross business license fees collected within a municipality. To compensate for this loss of revenue, the Legislature established the Municipal Assistance Fund. According to AS 44.20.016, "the Legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10% of the income tax revenue received by the state under sec. 11(e) of this chapter and chapter 21 of this title for the previous year." Chapters 20 and 21 pertain to corporate and petroleum income taxes.

According to the letter of intent that accompanied the repeal of the gross business license tax, municipalities were to benefit from the change. In actuality, however, municipalities have lost considerably.

For FY '79, the last year operating under shares of the gross business license tax, municipalities received $13,349,900. For FY '80, the Legislature appropriated only $11,400,000 and the amount in the Governor's proposed FY '81 budget remains at that same level even though the revenues generated by general and petroleum corporate income taxes were $257,400,000 in FY '79 and are estimated at $417,000,000 for FY '80.

The Alaska Municipal League urges the Legislature to appropriate monies to the municipal assistance fund as currently authorized by law.

Sincerely,

Dave Walsh
President

Cross reference. — As to taxpayer remedies, see AS 43.05.240.

Effect of amendment. — The 1976 amendment repealed subsections (b), (c) and (d), which provided for a hearing where agreement could not be reached with taxpayer as to the amount of the license tax, which provided that a person aggrieved by an action of the department could apply in writing giving notice of the grievance and requesting a hearing, and providing for disposition of excess amounts paid, respectively.

Subsection (b) extends no rights beyond statute of limitations. — It is doubtful that subsection (b) of this section would extend any rights to the taxpayer beyond the time specified in the applicable statute of limitations. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

But it does allow raising of question of overpayment after return approved. — Subsection (b) of this section seems to indicate an intention to allow the taxpayer to raise the question of an overpayment of taxes even after the return has been approved by the department under subsection (a). Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Taxes voluntarily paid under a mistake of law cannot be recovered. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

But the legislature may enact additional remedies for the recovery of illegal or excessive taxes. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

And subsection (c) of this section creates such an additional remedy. — Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Voluntary payment or payment under mistake of law not a defense in action for partial refund. — In the light of subsection (c) of this section, proof that the payment was made voluntarily or under a mistake of law is no defense in an action for partial refund of taxes. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Refund due on showing of payment in excess of amount due. — Under this section a taxpayer is entitled to a refund upon the bare showing that he paid an amount in excess of the tax which was due. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

And there is no requirement that the tax be paid under protest. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Or that showing of duress must be made. — Ketchikan Spruce Mills v. Dewey, 17 Alaska 356 (1957).

Running of interest against sovereign. — Equitable motives have led the majority of courts to recognize tax refunds as an exception to the general rule that interest does not run against a sovereign in the absence of an express statute creating such liability. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Costs against sovereign. — But costs may not be assessed against a sovereign without statutory authority therefor. Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Sec. 43.70.050. Appeals.
Repealed by § 3 ch 166 SLA 1976.

Cross reference. — For present provisions covering the subject matter of the repealed section, see AS 43.05.240.

Editor's note. — The repealed section derived from § 7, ch. 43, SLA 1949.

Sec. 43.70.060. Civil penalty. (a) Repealed by § 3 ch 166 SLA 1976.

(b) If a person fails to apply for a license at the required time or makes, wilfully or otherwise, an erroneous or fraudulent return, the department shall assess the fee from any information it can obtain. This assessment is prima facie good and sufficient for all legal purposes under this chapter. (§ 8 ch 43 SLA 1949; am § 2 ch 128 SLA 1955; am § 6 ch 58 SLA 1971; am § 3 ch 166 SLA 1976)

Cross reference. — For civil penalty imposed for failure to file a return or report, or pay the full amount of a tax, or a portion or a deficiency of the tax, see AS 43.05.220.

Effect of amendment. — The 1976 amendment repealed subsection (a), which provided for an additional amount to be added to the fee for failure to file a business license return or pay the fee, as finally determined by the department, due to wilful neglect.

Section merely regulatory. — See same catchline in note to AS 43.10.160.

And severable from other revenue provisions. — See State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 64 Wash. 2d 207, 390 P.2d 1009 (1964).

It is designed to persuade taxpayer to comply with chapter. State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964).

Sec. 43.70.070. Security. (a) Repealed by § 4 ch 94 SLA 1976.

(b) A nonresident person who starts to perform a construction contract or subcontract or other line of business in the state and is not known by the department to be the holder of adequate property in the state to secure collection of the license money which will probably accrue under this chapter by virtue of the business shall, in or with his application, state under oath the extent of lienable real and personal property against which the tax may be collected, and other information with respect to description, location and value of the property which the department prescribes. If the value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable to the state, the department shall not issue the license until the applicant files with him a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, and with interest if not paid before delinquency. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department. (§ 9 ch 43 SLA 1949; am § 4 ch 94 SLA 1976)

Effect of amendment. — The 1976 amendment repealed subsection (a), which made the amount of the fee, interest charge, and penalty imposed under this chapter a lien in favor of the state and provided generally for such lien.

Section merely regulatory. — See same catchline in note to AS 43.10.160.

And severable from other revenue provisions. — See State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 64 Wash. 2d 207, 390 P.2d 1009 (1964).

Sec. 43.70.080. Disposal of money. All money collected by the department under this chapter shall be deposited in the general fund. The Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government. (§ 11 ch 43 SLA 1949; am § 4 ch 155 SLA 1962; am § 74 ch 69 SLA 1970)

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7.

Validity of refunds to incorporated cities — See 1960 Op. Att'y Gen., No. 5.

Sec. 43.70.090. Regulations. The department may adopt regulations necessary to determine and collect the fees imposed and to enforce this chapter. (§ 12 ch 43 SLA 1949)

Sec. 43.70.100. Penal provisions. (a) It is unlawful for a person to (1) wilfully evade a tax under this chapter; (2) fail to make a return or keep or produce a record required under § 30 of this chapter; (3) make a false or fraudulent return or false statement with intent to defraud the state or evade payment of the tax; or (4) aid or abet another in an attempt to evade payment of the tax.

(b) It is unlawful for an executive officer or agent of a corporation or agent of a person to make or permit to be made for his principal a false return or false statement in answer to an inquiry from the department with the intent to evade the payment of the tax under this chapter.

(c) A person who violates this section is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both.

(d) In a prosecution under this chapter, no person otherwise competent as a witness is privileged from testifying on the ground that his testimony may incriminate him. However, no indictment or prosecution shall afterwards be brought against the witness on account of an offense or transaction concerning which he testifies as a witness. In a prosecution under this chapter, the attorney general may, with the consent of the department, compromise the case by accepting from the defendant a sum not less than the tax, interest on the tax, and all costs and expenses. (§ 10 ch 43 SLA 1949)

Exclusiveness of remedy. — Where a statute provides for the payment of a license fee as the condition of doing any specified business, and also provides that a violator of the act shall, upon conviction, be punished by fine or imprisonment, the remedy by prosecution and punishment so prescribed by the statute is exclusive, unless there is some special provision of law which permits the prosecution of a civil action to recover the license fee. United States v. Jourden, 193 F. 986 (9th Cir. 1912).

Sec. 43.70.110. Definitions. In this chapter, unless the context otherwise requires, the following words have the meanings indicated.

(1) "Business" includes all activities or acts, personal, professional, or corporate, engaged in or caused to be engaged in, or following or engaging in a trade, profession, or business, including receipts from advertising services, rental of personal or real property, construction, processing, or manufacturing, but excluding fisheries businesses, fishermen, liquor licenses, insurance businesses, mining, and coin-operated amusement and gaming machines, calling or vocation, with the object of financial or pecuniary gain, profit or benefit, either direct or indirect, and not exempting subactivities producing marketable

(3) for the third year beginning after December 31, 1977 that a taxpayer files an income tax return and each tax year thereafter — $300.

(c) For part-year residents and nonresident individual taxpayers the credit provided in this section shall be prorated according to the number of months of residency in the state.

(d) The space for claiming the individual income tax credit shall be given a prominent location on the form furnished by the department for the filing of the individual income tax return. (§ 1 ch 144 SLA 1978)

Effective date. — Section 8, ch. 144, SLA 1978, makes this section effective July 9, 1978, in accordance with AS 01.10.070(c). Section 7 of that chapter makes this section retroactive to January 1, 1978.

Sec. 43.20.016. Sharing of corporate income tax revenue with municipalities. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10 per cent of the income tax revenue received by the state under § 11(e) of this chapter and ch. 21 of this title for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978)

Effective date. — Section 8, ch. 144, SLA 1978, makes this section effective January 1, 1979.

Editor's note. — Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the $25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.20.030. Returns and payment of taxes.

Subsection (d) of this section creates a duty to speak when it requires a notice of modification of a taxpayer's federal income tax return. Stevenson v. Burgess, Sup. Ct. Op. No. 1514 (File No. 2791), 570 P.2d 728 (1977).

Taxpayers estopped from asserting statute of limitations due to failure to notify regarding modification of federal tax liability. — The failure of certain taxpayers to notify the department of the modification in their federal income tax liability for two years constitutes a breach of the duty to give notice of modification pursuant to this section and amounts to the concealment of a material fact. Where the state, to its detriment, relying on that lack of notice, as it reasonably could, failed to institute the statutory mechanism for collection of additional taxes, the taxpayers are estopped from asserting the protection of the statute of limitations embodied in AS 43.20.200(b). Stevenson v. Burgess, Sup. Ct. Op. No. 1514 (File No. 2791), 570 P.2d 728 (1977).

Sec. 43.20.031. Taxable income of residents; deductions; exemptions. (a) The taxable income of a resident of the state is his entire taxable income as defined in § 63 of the Internal Revenue Code with the following modifications:

(1) a taxpayer whose income includes a cost-of-living allowance which is exempt from federal income tax shall determine and include that amount as part of his income as if the cost-of-living allowance were not exempt;

(2) the benefits allowed to taxpayers under Internal Revenue Code §§ 1301 — 1307, as amended, are allowed only to taxpayers who have been residents of the state for the full base period as well as for the computation year as defined in these sections; the commissioner shall adopt regulations governing benefits under these sections of federal law allowable to spouses eligible to file a joint Alaska return for the computation year when one spouse has not been a resident of Alaska for the full base period;

Sec. 43.56.030. In place of other taxes.

Municipal taxation of AS 43.56 property may only occur as authorized under AS 29.53.045. North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

And all of it is entitled to a state tax credit. North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Regulation denying credit held invalid. — An emergency regulation which denied a credit against the tax levied by the state under AS 43.56.010(a) for property taxes collected by municipalities in excess of the limitations set forth in AS 29.53.045 and 29.53.050(b) was invalid since AS 43.56.010(d) mandates that all taxes paid under AS 29.53.045 are to be credited against the levy of AS 43.56.010(a). North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Cited in Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 584 P.2d 1115 (1978).

Chapter 70. Alaska Business License Act.

Section	Section
10. [Repealed]	70. [Repealed]
30. Levy and computation of license fee	80. Disposal of money

---

State license tax on salmon canneries with its revenue sharing provision is not different in kind from general gross receipts tax of Alaska Business License Act. — See Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 585 P.2d 878 (1978).

Sec. 43.70.010. Exemptions.

Repealed by § 5 ch 144 SLA 1978, effective January 1, 1979.

Editor's note. — The repealed section derived from § 3, ch. 43, SLA 1949; § 2, ch. 172, SLA 1957; § 1, ch. 152, SLA 1962.

Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the $25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.70.030. Levy and computation of license fee. (a) The license fee for each business is $25.

(b) The license fee for each national bank and state bank, trust company and savings and loan association is seven per cent of its net income. Net income means the taxable income of each taxpayer before net operating loss deduction and special deductions, computed as required under the Internal Revenue Code of the United States and

or property taxes
s in excess of the
AS 29.53.045 and
alid since AS
hat all taxes paid
e to be credited
43.56.010(a). North
Petroleum Corp.,
e Nos. 3460, 3513,
).
stol Bay Borough,
File No. 3365), 584

Act.

ristol Bay Borough,
File No. 3365), 585

1, 1979.

is the source of
1979 in accordance
The increase in the
hich goes into effect
revenue to be shared
under AS 43.20.016
ent years. This Act
rganized borough or
revenue under both
43.20.016, for the

e. (a) The license

tate bank, trust
r cent of its net
taxpayer before
ns, computed as
nited States and

includes all other income including income from federal, state or municipal obligations. Each of these taxpayers required to make a return under the provisions of the Internal Revenue Code shall at the same time file with the department a return setting out the amount of tax due under this chapter, and other information for the purpose of carrying out the provisions of this chapter which the department requires. Each of these taxpayers shall also at the same time file a true and correct copy of the tax return which he has filed with the Internal Revenue Service. A taxpayer filing under this subsection shall use the same tax year as the taxpayer uses for federal income tax purposes. Any approved extension of time to file the taxpayer's federal income tax return automatically extends the time for filing under this chapter. Any agreement which a taxpayer enters into with the Internal Revenue Service which extends the statute of limitations for any federal income tax return will apply to returns filed under this chapter. The department may, in its discretion, grant an extension of time to file or an extension of the statute of limitations independent of federal action. Every taxpayer shall notify the department in writing, within 90 days, of any alteration in, or modification of his federal income tax return and of a recomputation of tax or determination of deficiency. For purposes of applying the statute of limitations, this notification constitutes a separate return, and failure to file this notification will have the same effect as the failure to file a return under this title.

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally.

(d) The fee of $25 applies to all of the provisions of this section, and shall accompany the application. The balance is due and payable on the last day of the taxpayer's tax year and shall be paid before the 15th day of the third month following the end of the tax year, except that the time for filing the return may be extended as provided in (b) of this section. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury. (§ 5 ch 43 SLA 1949; am § 1 ch 128 SLA 1955; am § 1 ch 101 SLA 1960; am § 1 ch 68 SLA 1973; am § 1 ch 50 SLA 1975; am § 3 ch 144 SLA 1978)

Effect of amendments.

The 1978 amendment, effective January 1, 1979, in subsection (a) deleted "plus a sum equal to one-half of one per cent of the gross receipts in excess of $20,000 from the business during the year for which the license is issued, except that all gross volume in excess of $10,000 a year is taxed at the rate of one-quarter of one per cent" from the end of the first sentence of the subsection and deleted the former second sentence of that subsection, which read "The annual license fee paid by a professional person to his professional board shall be credited against the initial fee required under this chapter." In subsection (b), the amendment added the present fifth through eighth and tenth sentences and inserted "within 90 days" in the present ninth sentence. In subsection (c), the amendment deleted "and gross volume of business of those offices includes

all orders taken at them whether delivery of the merchandise is made through the offices or not" from the end of the subsection. In subsection (d), the amendment deleted "initial" preceding "fee" in the first sentence, and in the second sentence, substituted "the last day of the taxpayer's tax year" for "December 31st of each year," "15th day of the third month following the end of the tax year" for "first day of March following," and the language beginning "time for filing" for "department may extend the time until the 30th of the following April upon application showing that the extension is necessary to enable the applicant to ascertain the amount of license money due."

Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the $25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.70.070. Security.

Repealed by § 4, ch 94, SLA 1976; § 5, ch 144, SLA 1978, effective January 1, 1979.

Editor's note. — The repealed section derived from § 9, ch. 43, SLA 1949. Subsection (a) was repealed by § 4, ch. 94, SLA 1976, and subsection (b) was repealed by § 5, ch. 144, SLA 1978.

Sec. 43.70.080. Disposal of money [Effective January 1, 1980]. All money collected by the department under this chapter shall be deposited in the general fund. (§ 11 ch 43 SLA 1949; am § 4 ch 155 SLA 1962; am § 74 ch 69 SLA 1970; am § 4 ch 144 SLA 1978)

Effect of amendment. — The 1978 amendment, effective January 1, 1980, deleted the former second sentence, which read "The Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government."

Editor's note. — Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the $25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Chapter 75. Fisheries Taxes.

Article

1. Taxes and Licenses (§§ 43.75.010 — 43.75.055)
4. General Provisions (§§ 43.75.130 — 43.75.140)

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 19, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing concerning municipal assistance from general and petroleum corporate income tax receipts.

In the process of repealing the gross business license tax, the Legislature eliminated a source of income for municipalities - 60% of the gross business license fees collected within a municipality. To compensate for this loss of revenue, the Legislature established the Municipal Assistance Fund. According to AS 44.20.016, "the Legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10% of the income tax revenue received by the state under sec. 11(e) of this chapter and chapter 21 of this title for the previous year." Chapters 20 and 21 pertain to corporate and petroleum income taxes.

According to the letter of intent that accompanied the repeal of the gross business license tax, municipalities were to benefit from the change. In actuality, however, municipalities have lost considerably.

For FY '79, the last year operating under shares of the gross business license tax, municipalities received $13,349,900. For FY '80, the Legislature appropriated only $11,400,000 and the amount in the Governor's proposed FY '81 budget remains at that same level even though the revenues generated by general and petroleum corporate income taxes were $257,400,000 in FY '79 and are estimated at $417,000,000 for FY '80.

The Alaska Municipal League urges the Legislature to appropriate monies to the municipal assistance fund as currently authorized by law.

Sincerely,

Dave Walsh
President

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

April 29, 1980 Minutes regarding suggested amendments

REP. GARDINER
at p. 17. l. 10 or a new section:
For the fiscal years 1981-1985, no municipality may receive less than 125% of the amount received by that municipality during fiscal year 1980.

REP. GARDINER/REP. MCKINNON/REP. ROGERS
p.2.l.20 see attachment #1 (memo of April 24)

REP. GARDINER
suggestion to increase the $25,000 minimum by 30-40%

ANCHORAGE MUNICIPALITY
p. 17: Sec. 11 (a) (3) delete
p. 14 a "hold harmless" provision at 90% of population (see Attachment 2)

Attachment 1

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 24, 1980

SUBJECT: CSHB 192 (Finance) amended

TO: Representative Terry Gardiner
ATTN: John Sund

FROM: John B. Chenoweth
Legislative Counsel

The insertion of "utilities" at page 2, line 20, was action specifically requested by the Finance Committee.

To narrow the amendment so that only contributions recieved from municipal utilities in lieu of property taxes (and not all utility revenues) are recognized as income, the following amendment is in order:

Page 2, line 20: Delete "utilities,"

Page 2, following line 24: Insert an additional paragraph to read:

"(E) payments received by a municipality from a utility which are in lieu of taxes levied and collected by the municipality."

JBC:jdn

1. Delete (on page 17) Sec 11, subsection (a)(3).

2. Add the following to Sec. 4 (on p. 14):

Sec. 29.90.030 Minimum Entitlement Adjustment

(a) A municipality may not receive a total amount of money under AS 29.88, AS 29.89.010 and AS 29.90.020 which is less in proportion to the total amount appropriated and allocated under those sections than ninety percent (90%) of the percentage of its population to the total population of the State as determined by the Department of Labor.

(b) If the total amount that would be received by a municipality under AS 29.88, AS 29.89.010 and AS 29.90.020 would be less than as required by this section, the municipality shall receive an additional entitlement in an amount sufficient to comply with this section. In the case of boroughs that include cities which are eligible to receive funds under AS 29.88, AS 29.89 or AS 29.90.020, the funds to be received by the borough shall be deemed to include any amounts to be received by cities within the borough for purposes of this section.

(c) Amounts received by municipalities under this section are subject to proration in the manner provided by AS 29.90.010.

Municipality of Anchorage

MEMORANDUM

DATE: April 18, 1980

TO: Mayor Sullivan
THRU: Lu Person, Director of Management and Budget LP
FROM: Gene Dusek, Budget Officer GD

SUBJECT: HB192 AMENDMENT

Per Mitch, the only amendment to HB192 as passed out of the House Finance Committee on April 17th was to increase the total amount, including hospital pass-thru funding, to $31 million.

At a $31 million funding level, the State has estimated that $22,740,838 would be available for other than hospital pass-thru funding. At this funding level, the following shows how Anchorage would fare under the current statutes and under HB192 in FY1981:

Current Statutes		HB192	
Amount	% of State total	Amount	% of State total
$9,830,864	43.23%	$8,190,667	36.01%

The above compares to Anchorage's share of $7,849,556 (43.23%) of the State total of $18,157,087 if FY 1980 State-shared revenues are fully funded as per the House supplemental.

LP:GD:lps

cc: Larry D. Crawford

MUNICIPALITY OF ANCHORAGE

OFFICE OF THE MAYOR

I HOPE THAT YOU CAN CORRECT THIS INJUSTICE.

George M. Sullivan
Mayor

91 010 (: 78:

ESTIMATE OF ADDITIONAL FUNDING REQUIRED FOR PROPOSED AMENDMENT TO STATE REVENUE SHARING BILL

BOROUGH/CITY	POPULATION	% OF STATE POPULATION [a]	90% OF PREVIOUS COLUMN	AMOUNT	% OF STATE TOTAL	ADDITIONAL REQUIREMENT
Anchorage	204,809	46.08%	41.47%	$8,190,667	36.02%	$1,259,376
Sitka	8,787	1.98%	1.78%	254,978	1.12%	150,090
Galena	957	0.22%	0.20%	33,844	0.15%	11,370
Kake	710	0.16%	0.14%	26,350	0.12%	4,548
Delta Junction	892	0.20%	0.18%	28,197	0.12%	13,645
Valdez	4,066	0.91%	0.82%	136,868	0.60%	50,030
						$1,469,059

(a) State population data as of July 1, 1979 (444,481 total state population)

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

REPRESENTATIVE RICHARD I. ELIASON
P.O. BOX 143
SITKA, ALASKA 99835

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

COMMITTEES
RESOURCES
STATE AFFAIRS

CS HB 192

April 23, 1980
Juneau, Alaska

LOSERS	COST PER YEAR
Anchorage	$1,969,939
Fairbanks	$1,353,983
Sitka	$188,468
North Slope Borough	$154,968

WINNERS	INCREASE PER YEAR
Juneau	$969,802
Ketchikan	$494,538
Kenai	$280,271
Mat-Su	$415,987

SCHOOL FOUNDATION PROGRAM

Ketchikan	1981= $924,596	1982= $990,054
Juneau	1981= $1,507,645	1982= $2,074,453

Local Effort - #1 North Slope - #2 Valdez - #3 Haines - #4 Ketchikan - #5 Anchorage - #6 Fairbanks - #7 Juneau.

HB
550

COMMITTEE REPORT

SENATE

FURTHER: None

4/3/80

Date: _____

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 550 am

transfer to certain municipalities of the responsibility of the Dept. of Transportation & Public Facilities for traffic control systems

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Patrick Rodey
Tony J. Dimond
Ted Mackey
Tim Kelly

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Lucas Stumpfenhausen
CHAIRMAN

Do Pass

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXil

SENATE C/RA

Committee

Side Number 1 & 2

Dates 4/15/80 to --

PRESENT: Senators Mulcahy, Rodey, Chairman Sturgulewski
LATE: Senators Stimson and Kelly

Bi .l Numbers Discussed

C.HB 550	SB 546								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p. 4/15/80	005	CSHB 550	Chairman Sturgulewski opened meeting & gave a
			brief summary
	029		Representative Joyce Munson, Sponsor
	123		Sen. Rodey / Traffic lights owned by city?
	188		Mike Thompson, Anchorage Municipality Traffic Div.
	208		Sen. Rodey questioned past cooperation/coordination
			between State and Municipality
	242		Ron Lind, Dept. of Transportation & D.P. - No Objections
	250		Mitch Gravo, Anchorage Municipality, Support bill
	281		Senator Rodey moved to "do pass" no objections..
	300	RES.	Summary / resolution requesting Gov. to direct
			Dept. Fish & Game to conduct study relating to the restocking of Anchorage lakes. COMM. INTRODUCE??
			by Sen. Rodey
			No objections for Committee introduction.
	373	RES	Summary / Utility Revolving Loan Fund / by Sen.
			Sturgulewski. No objections to Comm. introduction
	405	SB 546	Capitol Foundation Program
	536		Marge Gorsuch, AA Hs. C/RA
	449		Jim Rhodes, AA Rep. Malone / Formula Summary
SIDE 2 ---------	159		Sen. Kelly objects to formula base
	221		Meeting adjourned.

NO ACTION TAKEN

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

April 14, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Representative Joyce Munson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, April 15, 1980 - 1:30 p.m.

CSHB 550, am - An Act relating to the transfer to certain municipalities of the responsibility of the Department of Transportation and Public Facilities for traffic control systems; and providing for an effective date.

SB 546 - Briefing/ Regarding state aid capital projects/ establish capital project foundation fund and providing for an effective date.

Wednesday, April 16, 1980 - 1:30 p.m.

SB 546 Joint Senate/House C/RA Teleconference (Governor's Conference Room)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB-550

Title Transfer to certain municipalities of responsibility of DOT/PF for traffic signals

Requested by Senator Sturgulewski Date 4/3/80

II. FISCAL DETAIL

Agency Affected Department of Transportation & Public Facilities

Program Category Affected Transportation

BRU, Program, or Subprogram(s) Affected Maintenance & Operations

(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 -0-						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The bill is drafted with the provisions providing for the inclusion of terms and conditions to be in the public interest and for payment to the municipality to be based upon previous maintenance and operation costs and will not cause a cost change to State government.

If a unified municipality and the State enter into an agreement, the State would reduce personnel and related costs and increase contractual services to allow payment to the municipality. At this time, the costs which would be applicable are not known since the particular makeup of the agreement would decide the costs.

IV. DATE 4/3/80 PREPARED BY Ron P. Lind, Deputy Commissioner

AGENCY DOT/PF

PHONE 465-3900

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

4/14/80 --- ARLISS CSHB 550, am

Ken Spray, Local 71, Juneau 586-6993 called (I missed him when

he stopped by earlier...)

HE OPPOSES ABOVE BILL.

Union s ndpoint - employees might not want to transfer - with state they have benefits plus collective bargaining, and might not want to be pushed into municipality, as city ordinances can change on whims,(as did Fbx??)

He questions that Anchorage could better handle the computer(s) versus state.... Said if employees don't wish to transfer, they are awfully hard to obtain - it took his union over 6 months the last time looking for the state - Questions whether one or two computers involved and different benefits - why not DOT-PF taking over.. etc.

He wanted you to know his feelings - and plans to testify ...

Mitch stopped by and called Frank Tecco, who told me:

Anchorage system is under one computer traffic control system, and State and municipality have plugged in their respective operation signals.... Anchorage currently has 4 engineers, 10 technicians which cover many other facits, fire alarms, police monitering, etc -- as result of above transfer, where State currently has 3 technicians working in Anchorage area, this would change to 1 engineer and 2 technicians. - this added to the existing positions



For Line Ctg Computer & Personnel

Municipality of Anchorage

MEMORANDUM

DATE: January 13, 1978

TO: Mayor Sullivan through Municipal Manager

FROM: Municipal Traffic Engineer

SUBJECT: Traffic Signal System

Since my appointment to the position of Traffic Engineer in Anchorage, I have had ample opportunity to observe the operation of traffic signals and their capability for moving traffic through the Municipality. I have also become acquainted with the Computer Center and the efforts the State Maintenance and Operations Section has undertaken towards establishing a synchronized signal system. I am frequently reminded of the State signal failure response record and have discussed operations with the State Maintenance and Operations Section.

I am disturbed by the State's entire operation, primarily because the necessary expertise to manage such an esoteric enterprise as the new traffic signal system exceeds the capability which the State possess. Maintenance and Operations has assumed full responsibility for traffic movement and retains formal authority for traffic control. Maintenance men and technicians cannot learn enough from "sales training classes" to replace many years of actual experience with traffic signal controllers on the streets. Soon Honeywell will leave and the problem will be compounded since the Maintenance and Operations Section will be left to control traffic by themselves

It is increasingly obvious that the recent reorganization of the Department of Transportation has adversely effected its operation and overall efficiency by dissecting the Traffic Engineering functions. Planning and Design contain experienced Traffic Engineers, yet they have no control over day to day operations on the highways. The actual control of and responsibility for traffic movement has now been assumed by the State Maintenance and Operations Section. Thus, the formal authority in traffic control for 80% of Anchorage's traffic signals and major highways now rests within an organization that contains no professional Traffic Engineers. Furthermore, the State has a complex computer center to provide traffic signal control through System Engineering, but have no System Engineering personnel nor anyone experienced in computer programming, signal systems or urban signalization control techniques.

It is time that we seriously consider resuming all traffic control facilities in the urbanized area of this Municipality. The opportunity is present because we possess both the expertise in the engineering functions and in the maintenance functions to optimize the benefits achievable from the present equipment.

The following list contains justification why the Municipality of Anchorage should resume complete control of the traffic signal system within the urban area.

- The people of this Municipality have indicated their intent to be unified, eliminate divided jurisdictional controls and remove outside big brother attitudes. We can no longer "pass the buck" in citizen complaints to the State.

- Commissioner Harris has reportedly stated that he supports contracting activities to local jurisdictions as much as possible.

- Talk within the electronics industry is centering around the preparation of an annual maintenance package to present to the State. The package will include the private maintenance of all traffic signals and the Computer Center.

- Don McAllen, Electronics Supervisor, informs me that, with the addition of the 3 man State signal crew, we can maintain all signals and other hardware. Furthermore, we can work a swing shift because of our depth in electronic personnel (9+3). We will be able to respond to emergencies faster, with more equipment, manpower, and expertise. This will reduce vehicular delay and inconvenience while increasing public safety.

- We have two Associate Traffic Engineers in our office which have extensive background and training in traffic signals and traffic signal systems. Both of the following individuals have the knowledge of what actually happens on the street when one pushes buttons in the Computer Center.

  Mr. Bob Sickler has 10 years of experience in field tuning traffic signal controllers and 5 years of work with a similar traffic computer system. Mr. Sickler is currently President of the Northwest Section of the International Municipal Signal Association and has kept himself, through this Association, well informed of all the advances in traffic signal system control.

  Mike Thompson is educated in computer systems and computer language by a highly technical college and for the past 4 years has worked with traffic signal design and had complete responsibility for a similar traffic signal control computer in Portland, Oregon.

We can resume the operation and maintenance of all traffic signal equipment in urban Anchorage by securing an additional 3 man traffic maintenance crew with ~~an Associate Traffic Engineer and one~~ Technician to operate the Computer Center. This will not adversely impact the Municipality's budget because the salaries paid these 4 men would be furnished through a State Contract. Maintenance and repair of the Computer Center would be contracted to Honeywell and also charged back to the State. Since all the overhead and management for this operation already exists in the Municipality, it will save the requirement for redundant management within the State.

You suggested that I have lunch with Mr. O'Sullivan to discuss our participation in the Computer Center. I seek your support in discussing the transfer of the entire traffic signal system facilities over to the Municipality. I feel confident that we can convince the State of the merits of Municipal management. I solicit your support in this endeavor for I am convinced that the motoring public in Anchorage will benefit.

Frank C. Tecca
Municipal Traffic Engineer

FCT:ae

HB
585

COMMITTEE REPORT

SENATE

FURTHER: None

2/20/80

Date: March 6.

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 585

incorporation of second class boroughs as home rule 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)

[X] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bert Metcalfe

Tim Kelly

Stan Stevens

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Chris Stevenson
CHAIRMAN

S 60 (Rev. 12/78)

Do Pass.

Committee Log Book - 1980

Tape Number XIV

SENATE C/RA
Committee

Side Number 1

Dates 3/6/80 to -

Present: Senators Rodey, Kelly, Mulcahy, & Chairman Sturgulewski

Bill Numbers Discussed

SB 352	HB 585								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 005		SB 352	Chairman Sturgulewski - overview
			Palmer McCarter, Dept. C/RA
	091		Sen. Mulcahy
	170		Jack Chenowet , Legal Division
	220		Palmer McCarter
	284		Marilyn Miller, AML Support of SB 352
	299		Sen. Kelly moved "do pass w/ind. rec."
			Sen. Mulcahy moved "do pass"
	327	HB 585	Sen. Rodey moved to consider "CS"/ No obj.
	342:		Jack Chenoweth, Legal Division (Overview)
	440		Carolyn Burg
	509		Marilyn Miller, AML
	524		Palmer McCarter, Dept. C/RA (Line 20 - 10%)
			Sen. Kelly
			Sen. Rodey
			Sen. Kelly & Rodey
	611		Moved to amend 10% to 15% - Sen. Kelly
	617		Sen. Kelly moved "do pass w/ind. rec."
			Sen. Rodey & Mulcahy concurred.
	621		ADJOURNMENT

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 5, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Butrovich Room 207, Capitol Building

Thursday, March 6, 1980 - 1:30 p.m.

SB 352 - Requiring fiscal notes/bills affecting municipalities

HB 585 - Re/incorporation of 2nd class borough/home rule

power projects for the two river systems, but ... yet u... nounce a decision to proceed with the work.

Home rule bill proposed

By The Associated Press

The House has passed and sent to the Senate a bill to allow second class boroughs to move to home rule status.

The bill, HB58?, was introduced by a joint House-Senate interim committee that this summer studied local government needs for organized and unorganized boroughs in Alaska. The bill passed 37-1 on Tuesday.

Another piece of legislation still pending would allow unorganized boroughs to also move to home rule status, which allows a charter to be developed so that local government can be tailored to the area it serves.

Currently, municipalities and boroughs must be first class before they can adopt a home rule charter.

Committee members said the bill passed on Tuesday makes it easier for local government to respond to local needs. Home rule status allows the local government to adopt ordinances and enact powers unless they are expressly prohibited in the Alaska Constitution.

Several other measures pending in the House and the Senate deal with unorganized boroughs, which committee members say have become laced with "spaghetti-like" boundaries.

2/19/80 Alaska Empire

A... obs...

By Em...

Members of ... Juneau Wedn... celebrating the ... religious season o...

Episcopalians, ... Methodists, Presby... Roman Catholics h... services marking A... day, the start of t... season, plus six Su... aside to prepare for E...

"Traditionally, Le... season of soleum intro... increased religious devo... personal deeds of char... for one's neighbor in nee... a spokesman for Resur...

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate CS for HB 585
Title An Act relating to the Incorporation of Home Rule Boroughs
Requested by Senate Community & Regional Affairs Date 3-11-80

II. FISCAL DETAIL
Agency Affected N/A
Program Category Affected N/A
BRU, Program, or Subprogram(s) Affected N/A
(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	0	0	0	0	0	0

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)

This bill would allow second class boroughs to move directly to the Home Rule status without going through the process of first becoming first class as is now required.

There would be no fiscal impact on state government.

IV. DATE 3-11-80 PREPARED BY McKie Campbell
AGENCY Community & Regional Affairs
PHONE 465-4735

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

33-001 (Rev. 12/79)

Introduced: 1/21/80
Referred: Community & Regional Affairs and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Community and Regional Affairs Committee Interim Joint Local Government Study)

IN THE SENATE

SENATE BILL NO. 353

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the incorporation of second class boroughs as home rule boroughs."

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

* Section 1. AS 29.13.010 is amended to read:

Sec. 29.13.010. MUNICIPAL CHARTER ADOPTION. A first class municipality or second class borough may adopt a charter for its own government. A home rule municipality may amend its charter or adopt a new one. A charter is framed by a charter commission of seven members chosen by the municipal voters at a regular or special election. A candidate for the commission must be a qualified voter of the municipality and a resident of the municipality for three years immediately preceding the election. A charter commission election is called by filing a petition with the borough assembly or the city council, or by resolution of the borough assembly or city council. The petition must be signed by a number of municipal voters equal to 10 percent of the votes cast in the last regular election of the municipality.

The bill will move in committee.

Identical to SB 588

HB
615

COMMITTEE REPORT

SENATE

FURTHER: Finance

5/21/80

Date: 5-22-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 615

relating to an exemption from municipal property taxation

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bob Pinkerton

Tom Thomas

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXX1

SENATE C/RA - Chairman Sturgulewski
Committee

Side Number 1&2

MEMBERS PRESENT: Sen. Mulcahy, Stimson

Dates 5/22/80 to --

MEMBERS ABSENT: Sen. Kelly, Rodey

Bill Numbers Discussed

HB 615									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
8:30 a.m. 5/22/80	000	HB 615	Chairman Sturgulewski called meeting to order.
			Gave bill summary.
	029		Sen. Mulcahy moved to pass bill out. Sen. Stimson "do pass"
	054	HUD	Meeting with HUD Washington, D.C. and Alaska officials.
	Side 2		Meeting adjourned. 9:30 a.m.

Notification
Don Celly Caldeiy - Secretario
Daniel Diaz

SB 319

Tanya —
Glen Hurlbert
named HB 615
I want to hear

11 a.m. after
hearing Skalda

ale

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 319
Title An Act Relating to Exemption from Municipal Property Taxation
Requested by Senate Community & Regional Affairs Committee Date 1-21-80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affair
Program Category Affected Social Services (grant) Development (Administration)
BRU, Program, or Subprogram(s) Affected Senior Citizen Property Tax Exemption
(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	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Reduces grant requirement for FY 81 from $150,000 to $120,000. There is no impact to administration.

Present law does not exempt seniors from ad valorem tax on their vehicles, just from state collected registration tax. This bill corrects the present law to exempt seniors from property tax on vehicles, statewide.

Present law pays municipalities that do not tax vehicles. This bill corrects law to only reimburse municipalities for revenue lost. This accounts for the reduced need for revenue to fund the program.

IV. DATE 1-21-80 PREPARED BY LaDonna Brown LaDonna Brown
AGENCY Local Government Assistance
PHONE 465-4739

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

33-001 (Rev. 12/79)

5/21/80

HB 615 -- Identical to SB 319 which was passed out of Sen. C/RA 1/29/80

"An Act relating to an exemption from municipal property taxation; and providing for an effective date."

Fiscal Note for SB 319 from Dept. HESS, signed by Coordinator M.D. Plotnick stressed clarification was needed in two areas:

1. What happens in the case of a married couple? If both are 65 years of age or older, will they be entitled to exemptions on two vehicles?

ANSWER: Per Dept. of Public Safety/ Motor Vehicles: Both would receive an exemption - if married, regardless how the certificate is made out - the stipulation being they are of 65 or older...

2. What constitutes residency for purposes of this bill?

ANSWER: Per Dept. of Public Safety, Motor Vehicles: this would revert to driver's statutes - residency requirement 90 days.

POSITION PAPER/Department of Health and Social Services

POSITION PAPER
Senate Bill No. 319

"An Act relating to an exemption from municipal property taxation; and providing for an effective date."

The Department of Health and Social Services supports the intent of SB 319. The bill in its current form, however, seems to need clarification on two areas:

1) What happens in the case of a married couple? If both are 65 years of age or older, will they be entitled to exemptions on two vehicles?

2) What constitutes residency for purposes of this bill?

This bill will not impact on the Department of Health and Social Services but will impact on the Department of Community and Regional Affairs.

The Department of Health and Social Services recommends that Senate Bill 319 not be passed without revisions to address the above-stated concerns.

Recommended by: Phil M. Roust for
M. D. Plotnick, Coordinator

Date: 1/25/90

Approved by:
Commissioner
Department of Health and
Social Services

Date: 1/25/90

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 319

Title "An Act relating to an exemption from municipal property taxation;..."

Requested by Rules Committee Date 1/15/80

II. FISCAL DETAIL

Agency Affected No impact on Department of Health and Social Services

Program Category Affected

Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

For Department of Health and Social Services

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No impact on Department of Health and Social Services.

IV. DATE 1/25/80 PREPARED BY for M. D. Plotnick Coordinator

AGENCY Department of Health and Social Services

Original: Legislative Finance PHONE 465-4903

cc: Budget and Management

Prime Sponsor (First Legislator Named) Reviewed by Michael Dukes Director of Mgt + Budget DHSS 1/25/80

33-001 (Rev. 10/78)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S B 319
Title An Act Relating to Exemption from Municipal Property Taxation
Requested by Senate Community & Regional Affairs Committee Date 1-21-80

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Social Services (grant) Development (Administration)
BRU, Program, or Subprogram(s) Affected Senior Citizen Property Tax Exemption
(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
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200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Reduces grant requirement for FY 81 from $150,000 to $120,000. There is no impact to administration.

Present law does not exempt seniors from ad valorem tax on their vehicles, just from state collected registration tax. This bill corrects the present law to exempt seniors from property tax on vehicles, statewide.

Present law pays municipalities that do not tax vehicles. This bill corrects law to only reimburse municipalities for revenue lost. This accounts for the reduced need for revenue to fund the program.

IV. DATE 1-21-80 PREPARED BY LaDonna Brown LaDonna Brown
AGENCY Local Government Assistance
PHONE 465-4739

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

33-001 (Rev. 12/79)

5/21/80

HB 615 -- Identical to SB 319 which was passed out of Sen. C/RA 1/29/80

"An Act relating to an exemption from municipal property taxation; and providing for an effective date."

Fiscal Note for SB 319 from Dept. HE[illegible] signed by Coordinator M.D. Plotnick stressed clarification was needed in two areas:

1. What happens in the case of a married couple? If both are 65 years of age or older, will they be entitled to exemptions on two vehicles?

ANSWER: Per Dept. of Public Safety/ Motor Vehicles: Both would receive an exemption - if married, regardless how the certificate is made out - the stipulation being they are of 65 or older...

2. What constitutes residency for purposes of this bill?

ANSWER: Per Dept. of Public Safety, Motor Vehicles: this would revert to driver's statutes - residency requirement 90 days.

POSITION PAPER/Department of Health and Social Services

POSITION PAPER
Senate Bill No. 319

"An Act relating to an exemption from municipal property taxation; and providing for an effective date."

The Department of Health and Social Services supports the intent of SB 319. The bill in its current form, however, seems to need clarification on two areas:

1) What happens in the case of a married couple? If both are 65 years of age or older, will they be entitled to exemptions on two vehicles?

2) What constitutes residency for purposes of this bill?

This bill will not impact on the Department of Health and Social Services but will impact on the Department of Community and Regional Affairs.

The Department of Health and Social Services recommends that Senate Bill 319 not be passed without revisions to address the above-stated concerns.

Recommended by: Phil M. Point for
M. D. Plotnick, Coordinator

Date: 1/25/80

Approved by:
Commissioner
Department of Health and
Social Services

Date: 1/25/80

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 319

Title "An Act relating to an exemption from municipal property taxation;..."

Requested by Rules Committee Date 1/15/80

II. FISCAL DETAIL

Agency Affected No impact on Department of Health and Social Services

Program Category Affected

Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

For Department of Health and Social Services

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No impact on Department of Health and Social Services.

IV. DATE 1/25/80 PREPARED BY for M. D. Plotnick Clayton Rant Coordinator

AGENCY Department of Health and Social Services

PHONE 465-4903

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Reviewed by Michael Dukes Division of Mgt + Budget DHSS 1/25/80

33-001 (Rev. 10/78)

HB
782

COMMITTEE REPORT

SENATE

FURTHER: None

4/14/80

Date: 4-24-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 782 local service roads and trails

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 [ ] new title

and recommends _____

[ ] 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:

CHAIRMAN

Do Pass

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXIV

SENATE C/RA - Chairman Sturgulewski

Side Number 1

Committee

Dates 4/24/80 to --

Mbrs: Senators Mulcahy, Kelly, Stimson, Rodey
All members present. Sen. Rodey came in late.

Bill Numbers Discussed

CSHB 782									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/24/80 1:40	001	782	Sen. Sturgulewski on CSHB 782
	040	"	John Scribner/DOT/PF
	117	"	Terry Earley, Dept. C/RA - no spec. comments
	132		Chairman Sturgulewski, Section by Section
	139		Royce Weller, Representative Malone's Office
	159		Section 1
	194		" 2
	201		" 3-4-5
	280		Senator Kelly, Chrmn. Sturgulewski, Royce State's Authority
	300		Section 6
	327		Chrmn. Sturgulewski reads statutes
	362		Section 7
	398		Section 8
	407		Section 7
	425		Chrmn. Sturgulewski - Section 9, 10, 11, 12
	469		Sen. Rodey explains "royalties"
	489		Section 12
	495		Chrmn. Sturgulewski
	514		Sen. Stimson - Procedure explanation
	567		"DO PASS" move

4-18-80

Re Lon Lind

CS HB 782

Lon to send F.N.

"CS" came about as testimony from DOT-PT

- So all concerns are now met. They support

T

REQUIREMENT OR OBLIGATION MAY BE IMPOSED UPON A BIDDER AS A CONDITION PRECEDENT TO THE AWARD OF A CONTRACT TO A BIDDER UNLESS THE REQUIREMENT OR OBLIGATION IS OTHERWISE LAWFUL AND SPECIFICALLY SET OUT IN THE ADVERTISED SPECIFICATIONS.]

* Sec. 8. AS 19.30.191(c) is amended to read:

(c) All contracts by a local government <u>that has not assumed local road powers must</u> [AWARDED BY COMPETITIVE BIDDING UNDER (b) OF THIS SECTION MUST COMPLY WITH THE PROVISIONS OF THIS SECTION, AND] have the prior concurrence of the commissioner.

* Sec. 9. AS 19.30.191 is amended by adding a new subsection to read:

(d) Except as rovided (b) of this section and in AS 44.33.300, construction of each project shall be administered by the department in accordance with guidelines established by the commissioner by regulation.

* Sec. 10. AS 19.30.201 is amended to read:

Sec. 19.30.201. CONSTRUCTION. The construction of a local service road or trail undertaken by <u>the department</u> [A LOCAL GOVERNMENT] or under its direct supervision under the provisions of AS 19.30.111 - 19.30.241, shall be performed according to approved design standards and are subject to the inspection and approval of the commissioner. All construction work done and labor performed by or under the direct supervision of the <u>department</u> [LOCAL GOVERNMENT] shall be in accordance with [THE LAWS OF THAT LOCAL GOVERNMENT AND] applicable state law.

Deleted Sec. 19.30.211 - in this am. from CS HB 782

* Sec. 11. AS 19.30.221 is amended to read:

Sec. 19.30.221. AVAILABILITY OF ALLOCATED SUMS. (a) On and after the date that the commissioner has certified the sums allocated to each local government, the sums shall be available for expenditure [BY THE LOCAL GOVERNMENT] under the provisions of this chapter.

(b) These <u>allocated</u> sums shall <u>be</u> [CONTINUE] available for expenditure [BY THAT LOCAL GOVERNMENT] for a period of five years after the

close of the fiscal year for which the sums are authorized and any amounts so obligated remaining unexpended at the end of that period shall lapse and shall be available for other local service road or trail construction within that allocation district in accordance with AS 19.30.111 - 19.30.241.

(c) This section applies to sums transferred under AS 19.30.151(b).

(d) The payment of royalties required to obtain materials to construct local service road and trail projects is a valid expenditure under this chapter.

* Sec. 12. AS 19.30 is amended by adding a new section to read:

Sec. 19.30.233. REPORTS. (a) No later than October 1 of each year, a local government which has received money under AS 19.30.151(b) shall prepare a report showing the use of the money by the local government during the preceding 12 months. The local government shall submit a copy of the report to the commissioner.

(b) No later than December 1 of each year, the commissioner shall prepare a report showing the use of the money allocated under this chapter during the preceding 12 months and a report on the status of all projects under this chapter for which the department has construction responsibility. The commissioner shall submit copies of the reports to the governor.

* Sec. 13. AS 19.30.241 is amended by adding new paragraphs to read:

(7) "commissioner" means the commissioner of transportation and public facilities;

(8) "department" means the Department of Transportation and Public Facilties.

* Sec. 14. AS 19.30.191(a) and 19.30.231 are repealed.

Original sponsors: Malone and Rogers

Offered: 4/8/80
Referred: Rules

IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 782

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to local service roads and trails."

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

* Section 1. AS 19.10.015 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, a municipality may designate the width of a road which is not a part of the state highway system if the municipality maintains the road.

* Sec. 2. AS 19.30.151(a) is amended to read:

(a) Upon application by a local government, local service roads and trails constructed under the provisions of AS 19.30.111 - 19.30.241 and located within the jurisdictional boundaries of a local government, as defined in AS 19.30.241(3), may be transferred to that local government upon approval by the Department of Transportation and Public Facilities and after a vote of the people in the area. [A LOCAL GOVERNMENT WHICH HAS ASSUMED ROAD POWERS BEFORE MAY 20, 1971 MAY NOT BE REQUIRED TO HOLD AN ELECTION AS PROVIDED BY THIS SECTION.]

* Sec. 3. AS 19.30.151(b) is amended to read:

(b) The commissioner shall, upon request of a local government, [IS AUTHORIZED TO] transfer funds allocated under AS 19.30.131 to any local government which has assumed local road powers [HE DETERMINES TO BE QUALIFIED TO CONSTRUCT LOCAL SERVICE ROADS OR TRAILS].

* Sec. 4. AS 19.30.161 is amended to read:

Sec. 19.30.161. DESIGN STANDARDS, RIGHTS-OF-WAY AND WIDTHS. Design standards, rights-of-way and widths for each local service road and trail project shall have the prior approval of the commissioner,

unless the project is under the supervision of a local government that has assumed local road powers. If the project is under the supervision of a local government that has assumed road powers, design standards, rights-of-way and widths shall be established by the local goverment.

* Sec. 5. AS 19.30.171(b) is amended to read:

(b) The costs incurred by the commissioner in acquiring this land or interest in land includes all costs and any fees incidental to acquisition [, INCLUDING RELOCATION ASSISTANCE AND PAYMENTS IN ACCORDANCE WITH AS 34.60]. All costs incurred [BY THE COMMISSIONER] in connection with the acquisition of the land or interest in land for local governments that have assumed local road powers shall be paid by the local government for which the land or interest in land is acquired. Right-of-way acquisition costs incurred by the commissioner for local governments without local road powers under AS 19.30.151(a) shall be charged to the project allocation for the local government for which the land or interest in land is acquired.

* Sec. 6. AS 19.30.181 is repealed and re-enacted to read:

Sec. 19.30.181. PROJECT AGREEMENTS. A local government which has assumed local road powers may enter into a formal project agreement with the commissioner for the construction of a specific project.

* Sec. 7. AS 19.30.191(b) is amended to read:

(b) [EXCEPT AS PROVIDED IN AS 44.33.300, CONSTRUCTION OF EACH PROJECT SUBJECT TO THE PROVISIONS OF THIS SECTION SHALL BE PERFORMED BY CONTRACT AWARDED BY COMPETITIVE BIDDING, UNLESS THE COMMISSIONER FINDS THAT, UNDER THE CIRCUMSTANCES RELATING TO THE PROJECT, SOME OTHER METHOD IS IN THE PUBLIC INTEREST.] Contracts entered into by a local government that has assumed local road powers for the construction of each project shall be awarded only on the basis of the lowest responsible bid submitted by a bidder meeting established criteria of responsibility. [NO

REQUIREMENT OR OBLIGATION MAY BE IMPOSED UPON A BIDDER AS A CONDITION PRECEDENT TO THE AWARD OF A CONTRACT TO A BIDDER UNLESS THE REQUIREMENT OR OBLIGATION IS OTHERWISE LAWFUL AND SPECIFICALLY SET OUT IN THE ADVERTISED SPECIFICATIONS.]

* Sec. 8. AS 19.30.191(c) is amended to read:

(c) All contracts by a local government that has not assumed local road powers must [AWARDED BY COMPETITIVE BIDDING UNDER (b) OF THIS SECTION MUST COMPLY WITH THE PROVISIONS OF THIS SECTION, AND] have the prior concurrence of the commissioner.

* Sec. 9. AS 19.30.191 is amended by adding a new subsection to read:

(d) Except as provided (b) of this section and in AS 44.33.300, construction of each project shall be administered by the department in accordance with guidelines established by the commissioner by regulation.

* Sec. 10. AS 19.30.201 is amended to read:

Sec. 19.30.201. CONSTRUCTION. The construction of a local service road or trail undertaken by the department [A LOCAL GOVERNMENT] or under its direct supervision under the provisions of AS 19.30.111 - 19.30.241, shall be performed according to approved design standards and are subject to the inspection and approval of the commissioner. All construction work done and labor performed by or under the direct supervision of the department [LOCAL GOVERNMENT] shall be in accordance with [THE LAWS OF THAT LOCAL GOVERNMENT AND] applicable state law.

* Sec. 11. AS 19.30.211 is amended to read:

Sec. 19.30.211. MAINTENANCE. The department shall maintain, or cause to be maintained, any project constructed by the department under the provisions of AS 19.30.111 - 19.30.241, except that upon mutual agreement of the commissioner and the local government the responsibility for maintenance may be transferred to the local government if it is authorized to assume road maintenance powers.

Deleted in Sen Am.

* Sec 12. AS 19.30.221 is amended to read:

Sec. 19.30.221. AVAILABILITY OF ALLOCATED SUMS. (a) On and after the date that the commissioner has certified the sums allocated to each local government, the sums shall be available for expenditure [BY THE LOCAL GOVERNMENT] under the provisions of this chapter.

(b) These allocated sums shall be [CONTINUE] available for expenditure [BY THAT LOCAL GOVERNMENT] for a period of five years after the close of the fiscal year for which the sums are authorized and any amounts so obligated remaining unexpended at the end of that period shall lapse and shall be available for other local service road or trail construction within that allocation district in accordance with AS 19.30.111 - 19.30.241.

(c) This section applies to sums transferred under AS 19.30.151(b).

(d) The payment of royalties required to obtain materials to construct local service road and trail projects is a valid expenditure under this chapter.

* Sec. 13. AS 19.30 is amended by adding a new section to read:

Sec. 19.30.233. REPORTS. (a) No later than October 1 of each year, a local government which has received money under AS 19.30.151(b) shall prepare a report showing the use of the money by the local government during the preceding 12 months. The local government shall submit a copy of the report to the commissioner.

(b) No later than December 1 of each year, the commissioner shall prepare a report showing the use of the money allocated under this chapter during the preceding 12 months and a report on the status of all projects under this chapter for which the department has construction responsibility. The commissioner shall submit copies of the reports to the governor.

* Sec. 14. AS 19.30.241 is amended by adding new paragraphs to read:

(7) "commissioner" means the commissioner of transportation and public facilities;

(8) "department" means the Department of Transportation and Public Facilties.

* Sec. 15. AS 19.30.191(a) and 19.30.231 are repealed.

IN THE HOUSE

The House was called to order at 11:30 a.m.

UNFINISHED BUSINESS

SB 559 The Speaker added an additional referral to the State Affairs Committee on SENATE BILL NO. 559 (convening of the legislature).

CSHB 782 The message from the Senate concerning COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 782 (local service roads and trails) and COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 782 amended Senate (same title) was before the House at this time.

Representative Anderson moved that the House concur in the Senate amendment to CSHB 782, thus adopting CSHB 782amS and asked that the members vote no.

The question being: "Shall the House concur in the Senate amendment to CSHB 782?" The roll was taken with the following result:

CSHB 782AMS

Yeas:	0	
Nays:	35	Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Buchholdt, Carney, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Guy, Halford, Hayes, Hurlbert, McKinnon, Malone, Martin, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Zharoff
Not Voting:	5	Eliason, Haugen, Meeking, Schaeffer, Smith

Representative Buchholdt changed her vote from "yea" to "nay."

And so, the House failed to concur in the Senate amendment to CSHB 782.

The Chief Clerk was instructed to so notify the Senate and respectfully request that they recede from the amendment. CSHB 782

In the event the Senate fails to recede, the Speaker appointed the following members to a Free Conference Committee to meet with a like committee from the Senate to consider the above bills:

Representative Malone, Chairman

Representative Rogers

Representative Martin

Representative Brown moved and asked unanimous consent that the House adopt the letter of intent on COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1031 (continuing the existence of the Board of Electrical Examiners, and amending the statutes relating to the powers and duties of the board; effective date) (pages 1261 - 1262 of the journal). There being no objection, it was so ordered. CSHB 1031

Representative Metcalfe moved and asked unanimous consent that SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 856 (relating to the relocation of the state capital; effective date) be taken from the State Affairs Committee and sent to the next committee of referral. SSHB 856

Representative Miller objected.

The question being: "Shall SSHB 856 be taken from the State Affairs Committee and sent to the next committee of referral?" The roll was taken with the following result:

MOTION SSHB 856

Yeas:	7	Barnes, Bettisworth, Hayes, Martin, Metcalfe, Montgomery, Randolph
Nays:	29	Anderson, Beirne, Branson, Brown, buchholdt, Carney, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Guy, Halford, Hurlbert, McKinnon, Malone, Miles, Miller, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Smith, Zbareff

HOUSE BILL 782

TITLE:

An Act relating to Local Service Roads and Trails Program

OBJECTIVE OF LEGISLATION:

(a) To grant local governments which have assumed road powers increased authority and responsibility over local road criteria and the expenditure of the program's funds.

(b) To grant local governments which have not assumed road powers the authority to charge right-of-way costs to the program.

MAJOR AMENDMENTS TO PRESENT STATUTES:

(1) Remove the authority of the Commissioner of the Department of Transportation to withhold program money from "qualified" local governments and remove the authority to mandate project agreements between the Department and the local governments (with road powers) concerning the construction of projects.

(2) This legislation would grant to local governments which have adopted road powers the authority to establish the design standards, right-of-ways, and the right-of-way width (not the Commissioner).

* (3) Allow program funds to be used for the purchase of right-of-ways (present statutes prohibit such a usage).

* (4) As a valid cost of road construction, royalty payments for materials shall be charged to the program.

* The Department of Transportation has estimated that right-of-way and material costs will require ar additional expenditure of $1.2 million in a typical year. However, since the appropriation is a lump sum, allocated in a manner set by statute, I do not recommend funding above the proposed level for the next fiscal year. The flexibility to use available funds for the above purposes will result in an improved program.

HOUSE BILL 782

TITLE: AN ACT RELATING TO LOCAL SERVICE ROADS AND TRAILS PROGRAM.

OBJECTIVES OF LEGISLATION: To grant local governments, which have assumed local road powers, increased authority/ responsibility over local road criterions and the expenditure of the program's funds.

MAJOR AMENDMENTS TO PRESENT LAW: (A). Remove the discretionary authority of the commissioner of the department of transportation to withhold program money from "qualified" local governments; and power to mandate project agreements between the dept. and local governments concerning the construction of projects.

(B). Under this Act, local governments, which have adopted local road powers, may establish the design standards, right of ways, and widths, not the commissioner.

(C). The proposed language would allow the useage of program funds for the purchase of rights of ways. Present law prohibits such a useage.

SECTIONAL ANALYSIS OF HOUSE BILL 782

SEC 1 19.10.015

(B) would provide a municipality, that has assumed road powers (and will maintain said road) with the authority to designate road widths.

SEC 2 19.30.151

(A) is amended to remove reference to a date requiring a local government election. Amended version would require the transfer of L. S.R. and T's, upon approval by D.O.T., to the requesting local government.

SEC. 3 19.30.151

(B) is amended by deleting the commissioner's authority to with-hold program funds; based on his interpretation of qualification.

SEC 4 19.30.161

is amended by delegating to a local government, which has assumed road powers, the authority to establish road design standards, rights of way and widths for projects carried out under this program.

SEC 5 19.30.171

(B) is amended by deleting the requirement that the local government shall pay for the acquirement of rights of ways. Amended language would allow for the useage of program funds to acquire rights of ways.

SEC 6 19.30.181

is amended by deleting the project approval/disapproval authority of the commissioner and the requirement that the state and the appropriate local government enter into a formal project agreement. Amended language gives the local government the option to enter into a formal project agreement with the state, on any specific project.

SEC 7 19.30.191

(B) For local governments, which have not assumed road powers, amended language would delete the commissioner's authority to award contracts on a non-competitive basis. For Local governments, which have assumed local road powers, amended language deletes references to commissione bidding participation. Furthermore, to insure that winning bids are selected upon the principle of "the lowest responsible bid", references to requirements or obligations that may be imposed upon a bidder were deleted.

SEC 8 19.30.201

technical amendments that serve to seperate D.O.T. design standards and state law, from local government design standards and ordinances.

I. REQUEST

Bill/Resolution No. CS HB 782

Title An Act relating to local service roads and trails

Requested by Senate Community & Regional Affairs Committee Date 4/18/80

II. FISCAL DETAIL

Agency Affected Transportation & Public Facilities

Program Category Affected Highways - Design & Construction

BRU, Program, or Subprogram(s) Affected Highways

(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		690	690			
700	GRANTS, CLAIMS, ETC.						
	TOTAL		690	690			

FUNDING (Thousands of Dollars)

GENERAL FUND		690	690			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The revision to this bill will result in payment for all right of way related costs. The above estimated costs are based only upon the proposed FY 81 CIP Bond Issue for $10,000.000.

IV. DATE 4/18/80 PREPARED BY Charles D. Karella

AGENCY DOT/PF

PHONE 364-2121

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

3/12/80 CDK

Fiscal Note HB 782

Local Service Roads and Trails projects average 150 per biennium.

Average project is one mile in length.

Urban

R/W Acq (30 acres @ $6,666.67 per A.) = $200,000
R/W Admin @ 25% = 50,000
} 250,000

Constructing @ $1,000,000 per mi.
R/W cost percentage of Const. 25%

Suburban

R/W Acq (2 acres @ $40,000 per Acre) = $80,000
R/W Admin @ 35% = 28,000
} 108,000

Constructing @ $500,000 per mi.
R/W cost percent. of Const. = 22%

Remote Areas

R/W Acq (1 acre @ $3,500 per Acre = $3,000
R/W Admin @ 40% = 3,000
} 11,000

Constructing @ $200,000 per mi,
R/W cost percent of Construction = 5%

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H. B. 782
Title An Act relating to Local Service Roads and Trails
Requested by House State Affairs Date 3/18/80

II. FISCAL DETAIL
Agency Affected DOT/PF
Program Category Affected Transportation
BRU, Program, or Subprogram(s) Affected Highways
(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		500	500			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		690	690			
700 GRANTS, CLAIMS, ETC.						
TOTAL		1190	1190			

FUNDING (Thousands of Dollars)

GENERAL FUND		1190	1190			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The revision to this bill will result in payment for all right of way and royalty related costs.

IV. DATE 3/14/80 PREPARED BY Charles D. Karella
AGENCY DOT/PF
Orig: Legislative Finance PHONE 364-2121
cc: Budget and Management
Prime Sponsor (First Legislator Named)

83-001 (Rev. 12/79)

HOUSE BILL 782 RELATING TO THE LOCAL SERVICE ROADS &
SPONSORED BY MALONE AND ROGERS

The Department of Transportation and Public Facilities recommends the following revisions to the proposed changes:

Section 19.30.171(b) Revise to read as follows:

The costs incurred by the commissioner in acquiring this land or interest in land includes all costs and any fees incidental to acquisition. ~~All costs~~ incurred in connection with the acquisition of the land or interest in land for local governments with road powers shall be paid by the local government for which the land or interest in land is acquired. Right of way acquisition costs incurred by the commissioner for local governments without road powers is chargeable to the project allocation for the local government for which the land or interest in land is acquired.

Comment: This revision is necessary to clarify the area of responsibility of funding for right of way costs. Deleted reference to relocation assistance.

Section 19.30.173 Royalty. Add the following section:

Royalty payments required to obtain the necessary materials to construct local service roads and trails projects is a valid item of construction costs.

Comment: This addition is necessary to clarify the area of responsibility of funds related to royalty payments.

Section 191.30.191(b) Revise as follows:

Contracts for the construction of each project by the local government with road powers shall be awarded only on the basis of the lowest responsible bid submitted by a bidder meeting established criteria of responsibility.

Comment: This revision is necessary to differentiate between local governments with road powers and others without.

Section 191.30.191(c) Revise as follows:

All contracts by other than a local government with road powers awarded by competitive bidding under (b) of this section must comply with the provisions of this section, and have the prior concurrence of the commissioner.

Comment: This revision is necessary to place the responsibility of proper contract procedures with local autonomy.

Section 191.30.191(d) Add the following section:

Except as provided in AS 44.33.300 and in (b) above, construction of each project subject to the provisions of this section shall be administered by the Department within the commissioner's guidelines.

Comment: This addition is necessary to direct the local governments without road powers to a source document such as the LSR&T Handbook. The LSR&T Handbook will cover the policy and procedures necessary to carry out the LSR&T program concerning other than local governments with road powers.

Fiscal Note for HB 782 SUPPORT

Local Service Roads & Trails project average cost breakdown for one mile projects are as follows:

I. Right-of-Way Costs

Urban

Construction cost	$1,000,000
R/W Acquisition ($130,000 per Acre)	200,000
R/W Administration @25%	50,000
R/W Cost/Construction cost	25%

Suburban

Construction cost	$ 500,000
R/W Acquisition ($40,000 per Acre)	80,000
*R/W Administration @30%	24,000
R/W cost/Construction cost	30%

*Additional cost percentage due to some travel and additional map source such as BLM, ADL Native allotments, etc.

Remote Areas

Construction cost	$ 200,000
R/W Acquisition ($3,500 per Acre)	8,000
*R/W Administration @40%	3,200
R/W cost/Construction cost	5%

*Additional cost percentage due to more travel involved than the Suburban areas.

15% increase of project costs for Right-of-Way is anticipated reflecting $690,000 per year for a $10,000,000 bond issue.

II. Payment of Royalties. Based on royalty payments for materials, needed funding for the program follows:

Assuming that each project averages one mile and 15,000 cu. yds. is utilized per project, royalty related costs are computed as follows:

Calendar years 1981 & 1982. Each average 16 new projects in the unorganized Boroughs. Estimated cost of material at $.75/cu. yd. paid for royalties (Tanana Village Streets is set at $.55 and paid for through a special appropriation by the legislature). Cost of load count employee is $3,000 to $6,0 per month. (State employees will be base X O.H. factor of 1.77. Survey part time and travel would exceed $8,000).

15,000 cu. yd. X $.75	=	$11,250.00
Load Count Employee	=	5,000.00
TOTAL	=	$16,250.00

16 projects X $16,250 = $260,000/year.
1981 & 1982 Royalty related costs = $520,000 total.

An additional $500,000 per year increase funding is an[illegible]nated.

HB
932

COMMITTEE REPORT

SENATE

4/30/80

FURTHER: Finance

Govt Fin Secty 5-21-80

Date: 5-20-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 932(Finance)

creating the office of rural development, and the Rural Development Council

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)

[X] replace with CS for _____ [ ] same title [X] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Pat Montealegre

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tom Kelly - Aye

for Hank Stevens

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXX

SENATE C/RA // Chairman Sturgulewski

Committee

Side Number 1

Present: Senators Kelly, Stimson, Mulcahy

Dates 5/20/80 to ---

Absent: Senator Rodey

Bill Numbers Discussed

HCR 67	CSHB 932								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2:15 5/20/80	000	HCR 67	Chrmn Sturgulewski opened meeting.
		039	Sen. Kelly moved to pass out. / No objection.
	050	CSHB 932	Chrmn. Sturgulewski gave summary of bill.
	113		Sen. Mulcahy moved to adopt SCS / No Objections
			Additional amendments were discussed - and
			Sen. Mulcahy moved to adopt amendments
	190		Gordon Stockdale, AA to Rep. Duncan, Bill Sponsor
	265		Chrmn Sturgulewski/ Concern 44.19.226 (Staff)
	309		Sen. Kelly moved to delete 44.19.226
	320		Sen. Stimson - questions
	353		Sen. Stimson/ Kelly - sunset questions
	467		Sen. Stimson moved that amendment clearly showing
			repeal be made. No objections.
	513		Sen. Stimson - Questions: Council size, term length, etc.
	590		Sen. Stimson moved to pass SCS CSHB 932 with
			w/ individual recommendations. No objections.
	625	Next Mtg	Meeting with HUD Washington D.C. officials
	645	INTERIM WORK	Brief Discussion/ Summary

678 MEETING ADJOURNED

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 19, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, May 20, 1980 - 1:30 p.m.

HCR 67 - Relating to the Inuit Circumpolar Conference

SCS CSHB 932 - An Act creating the office of rural development, and the Rural Development Council; and providing for an effective date.

Committee Log Book - 1980

Tape Number XXIX

SENATE C/RA // Chrmn Sturgulewski

Committee

Side Number 1 & 2

Dates 5/13/80 to ----

PRESENT: All members (Rodey late)
Senators Rodey, Stimson, Mulcahy, & Kelly

Bill Numbers Discussed

CSHB 932	SB 546	NEW RES.							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/13/80 1:30	005	CSHB 932	Chrmn Sturgulewski/ cancelled hearing CSHB 932
	048	RES	" "/ introduces new resolution "White House Conference on Families
	079		Sen. Kelly objects
	085		Sen. Mulcahy has no objection to committee intro-
			duction, but might not favor concept.
	089		Sen. Stimson supports introduction
	097		Chrmn Sturgulewski will have introduced by the
			Committee by request.
	120	SB 546	Chrmn Sturgulewski
	156		Lee Sharp, City/Borough Attorney of Juneau "CS"
	250		Dennis Dooley, DOT-PF / few Adminis. concerns
			Jim Rhodes, AA to Rep. Malone // formula outline
	540		Sen. Kelly asks Rep. Malone's position.
	632		Sen. Rodey
	636		Margo Waring, AA to Chrmn. Sturgulewski
	729		Chrmn Sturgulewski/ impact on areas forming reg'l government?
	748		Sen. Kelly / Various questions
	812		Jim Rhodes
	850		Sen. Rodey moved to pass w/ individ. rec. Chrman. Sturgulewski to pass/ Sen. Kelly objects

1st Part of Tape did not take.

SIDE 2 / 14 MEETING ADJOURNED..

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA

5-13-80

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
32	Walt McPherson	Box 109 Juneau 99802	Rural Dev Council
46 ✓	Lee Shamp	155 S. Seward St	C of B of Juneau
546 ✓	Dennis Dooley	Pouch Z Juneau	DOT/PF

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

May 12, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, May 13, 1980 - 1:30 p.m.

SB 546 - State aid for local capital projects/ Establishing Capital Foundation Fund

Cancelled CSHB 932 - An act creating the office of rural development, and the Rural Development Council; and providing for an effective date.

Senate Resolution for introduction - Relating to participation by the state in the White House Conference on Families.

H. C/R.A. 3-28-80

Teleconference
Present

HB 932

Senate
Sen. Shugulewski
" Mulcahy

House
Rep. Parker
" Carney
" Sharoff
" Braxton
" Metcalfe

1:30

Rep. Anderson — Dist. 16 — rural Alaska
HSh, Ed. — Economy
Rule 24 (d) Limits

Metcalfe — rural rep.
testified earlier mtg. — govern. imposed upon Lower
Rep Anderson — does not duplicate govern.
St. has not adopted appeal — to address Landowner appeal for St.
Metcalfe — supports concept — doesn't want govern. duplicated

Amc. Cooper Langer Pres. Ak Native Fedn —
Supports bill, concept plan
2 inquiries — 2 economic options need cash
" to survive
Lt of Limits — feas. testing etc.
Rep. P.2 — St. Off. why create conserv. shore
Commerce Not?

Pg — 44.19.21 vague understanding — what does
appropriate mean?
Item 3 "
Recomm report from Cncl on Econ?

Mar" Richardy — Ec Dev. Div Kenai Bor.
Definition of land needs to be clarified —
— Presidents Proposal
Bob Peterson — Kodiak Econ. Devel. Assoc
discussed 2/" Petit Letter & attempts in committee

Committee lobby supported Bill —
(CONCERNS) 1) lack of representation from Commerce & ...
2) no provision for testing — Coastal ... and
economic studies by Dept. etc
Mo.

see any need for such gpp etc.
Ridge Strng support Policy stmt line 24 p1
strngly
very needed

? Metcalfe - Fbx Twn Vill Assoc
Feel they should have Reptatn in this legis?
one area have repet over another area of
Regnl contstn

mgmt letters

Johnson { supports AF estb 3rd Light Infant Bdl - is necessary

Sturgulewski
Carney - Wildrness Structure Bdg

Kotzebue Albert Peters Adams Area - Village excl of Kotzebue
Place population criteria in small communities
Only be policy excl

Wasilla Rasmuson - Reg. Villages of township
Rural Villages as concern of

Andy Coma - pres of Kib Skagit Haida Cntl Coal Log
Libby Bdl - very good for Kib. enclosure
Agency Rep's over whom must represent HB 932
Excl must have authority to recommend
Appls of all Natives to enroll - Native Corps

Hon. MP Samuel Demoski Dayton Jtd Bd Mbr
J. Ed-St Jnt Repel - p. 31

Anc - Phil Smith - Ex Dir Rural Caucus
Sect 1, Res open? Rural Dev Meaning?
Need for consistent Policy . mandatory appeal/private
Investments

w/scs changes

SUMMARY

Rural Development (office of)

HOUSE BILL NO. 932, by the Rules Committee by request of the Legislative Budget and Audit Committee. Establishes the Office of Rural Development in the Governor's Office and the Rural Development Council as the policy council for the office. Council consists of the Lt. Governor, a member of each house appointed by the presiding officer of that house, four state officers appointed by the Governor, the Dir. of Policy Development and Planning, six members from the private sector appointed by the Governor. States the purpose of the Act is "... to create a governmental structure that will function as the advocate of rural economic issues and rural community issues concerning development within the state, federal, and local governments, and in the private sectors, and which will assist rural people and institutions in laying the foundations of a healthy rural private economic base." Office is required to submit a comprehensive activity report to the Legislature before January 15 of each year. Provides Act effective immediately.

Introduced March 4 and referred to Community & Regional Affairs and Finance.

May 20, 1980

TO: Billy Berrier, Director
Division of Legal Services

FROM: Twyla Hartsock, Administrative Assistant
Senate C/RA Committee

SUBJECT: SCS CSHB 932

The Senate C/RA Committee this date passed "Senate Committee Substitute" version (WO 7871-Berrier) out with the following additional amendments:

pg. 1 - line 6 - title: delete "the office of rural development, and"

pg. 2 - line 14: delete "Office of" and add "Council" following "development."

pg. 5 - lines 18-20: delete sec. 44.19.226.
pg. 5 - line 23: delete "and the office"
pg. 5 - line 27: add "Executive" between "the" and "director"; delete "of the office" and add "the" between "of" and "rural"
pg. 5 - line 28: add "Council" following "Development"

pg. 6 - lines 1 & 2: state more clearly this section will be repealed.

Would you please incorporate the above changes and return the final "SCS" jacketed version as soon as possible. When it is received, the bill will be immediately forwarded to the Senate Secretary's Office for transmittal to the next referral, the Senate Finance Committee.

— Rural Affairs Comm - 44.19.720 Inactive
— Rural Development Agency - Under Title 44 - Repealed with Establishment of Dept CRA

Original sponsor: Rules/Legislative Budget and Audit Committee

Offered: 4/17/80
Referred: Rules

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 932 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An act creating the office of rural development, and the Rural Development Council; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASK

* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that there is a public interest in the development of a healthy private economic base in rural Alaska, that the rural areas of the state and the many small communities of the state have been in economic crisis for decades, and that in many rural communities a private economic base has ceased to exist which conditions endanger the economic, social, and cultural well-being of the state's rural citizens and the healthy growth and balance of the state's entire economy. The legislature further finds that while many opportunities for economic growth may be available to rural areas, the problems of the state's rural areas are many and complex, spreading beyond the confines or authority of any one program, any one government, or any one policymaker and therefore requiring a special initiative on the part of all concerned parties.

(b) It is the policy of the legislature that

(1) villages and small communities should have access to economic development opportunities;

(2) there is a special commitment to the development of a private economic base for villages and small communities;

(3) the state should use its resources and financial strength to encourage the development of a healthy, self-sustaining rural economy;

(4) the state has the primary policy responsibility to act and to catalyze commitment among many interests, including the state, federal government, local governments, and the private sector to promote a private economy in rural areas;

(5) the advocacy of a private economy compatible with preservation of the subsistence economy should be among the highest priorities of state policy.

(c) It is the purpose of this Act to create a governmental structure that will function as an advocate of rural areas and small communities presenting development issues before state, federal, and local governments, and in the private sectors, and which will assist rural people and institutions in laying the foundations of a healthy rural private economic base.

* Sec. 2. AS 44.19 is amended by adding new sections to read:

ARTICLE 3C. OFFICE OF RURAL DEVELOPMENT.

Sec. 44.19.191. OFFICE OF RURAL DEVELOPMENT. There is established in the Office of the Governor the office of rural development. The director of the office is appointed by the governor and serves at his pleasure. The governor may consult with the council concerning the appointment or discharge of the director.

Sec. 44.19.291. COUNCIL ESTABLISHED. (a) There is established the Rural Development Council as the policy council for the office of rural development. The council consists of

(1) the lieutenant governor;

(2) a member of each house of the legislature appointed by the presiding officer of that house;

(3) the commissioners of the departments of transportation and public facilities, commerce and economic development, and community and regional affairs, and the director of the division of policy development and planning;

(4) six representatives of the private sector appointed by

the governor who are residents of the rural area or small communities;

(5) the Alaska state director of the Farmers Home Administration of the United States Department of Agriculture and a designated representative of the Region X Rural Development Task Force who are ex officio members of the council and may attend and participate in all meetings of the council but may not vote.

(b) The members of the council appointed by the governor serve at the pleasure of the governor.

(c) The lieutenant governor is chairman of the council and one of the legislative members shall be elected by the council as legislative co-chairman.

(d) Members of the council serve without compensation but are entitled to per diem and travel expenses provided by law for members of boards and commissions.

Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the council is to provide policy direction to the office and to assist the office in the performance of the duties of the office. The council shall assist in coordinating the economic development activities of all departments and agencies of government so that the need for those activities and the impact of those activities on small communities and rural areas is considered and assist in coordinating the activities of departments and agencies of government which have field responsibilities in the rural areas to the extent that those activities relate to economic development. The council shall also assist the office in its advocacy function.

Sec. 44.19.216. MEETINGS. The council shall meet at the call of the chairman or legislative co-chairman at the request of a majority of the members, and at least four times a year at a regularly scheduled time as determined by the members. The council may convene meetings of

heads of agencies or departments which are concerned with rural matters or economic development if the council determines a meeting to be useful.

Sec. 44.19.221. POWERS AND DUTIES OF THE OFFICE. The office shall

(1) act as advocate for the development of an economic base which is compatible with preservation of the subsistence economy in rural Alaska, for community development and for public services which will enhance the opportunity for growth of an economic base in small communities and rural Alaska, and for other matters and programs useful to development of the private economy in rural Alaska;

(2) coordinate projects relating to economic development among departments and agencies;

(3) act as advocate for rural development programs which are not within the jurisdiction of a specific department or agency;

(4) act as advocate for appropriate technology development and the advancement of entrepreneurial opportunities;

(5) encourage and assist in the creation and use of regional development enterprises.

Sec. 44.19.226. STAFF. Within budget and appropriation limits, the director may hire staff and determine their compensation. Except for making inquiries, neither the council nor an individual member of the council may give orders to the staff on administrative matters.

Sec. 44.19.231. REPORTS. Before January 15 of each year the office shall submit to the legislature a comprehensive report describing the activities of the council and the office for the preceding year.

Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

(1) "council" means the Rural Development Council;

(2) "director" means the director of the office of rural development;

(3) "office" means the office of rural development.

* Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

(8) office of rural development and Rural Development Council (AS 44.19.191 - 44.19.236) -- June 30, 1987.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Barriers)

Original sponsor: Rules/Legislative Budget and Audit Committee

Offered: 4/17/80
Referred: Rules

Version Request ①

IN THE HOUSE BY THE FINANCE COMMITTEE

SCS FOR CS FOR HOUSE BILL NO. 932 (Community and Regional Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An act creating the Rural Development Council; and providing for an effective date."

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

* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that there is a public interest in the development of a healthy private economic base in rural Alaska, that the rural areas of the state and the many small communities of the state have been in economic crisis for decades, and that in many rural communities a private economic base has ceased to exist which conditions endanger the economic, social, and cultural well-being of the state's rural citizens and the healthy growth and balance of the state's entire economy. The legislature further finds that while many opportunities for economic growth may be available to rural areas, the problems of the state's rural areas are many and complex, spreading beyond the confines or authority of any one program, any one government, or any one policymaker and therefore requiring a special initiative on the part of all concerned parties.

(b) It is the policy of the legislature that

(1) villages and small communities should have access to economic development opportunities;

(2) there is a special commitment to the development of a private economic base for villages and small communities;

(3) the state should use its resources and financial strength to encourage the development of a healthy, self-sustaining rural economy;

(4) the state has the primary policy responsibility to act and to catalyze commitment among many interests, including the state, federal government, local governments, and the private sector to promote a private economy in rural areas;

(5) the advocacy of a private economy compatible with preservation of the subsistence economy should be one of the highest priorities of state policy.

(c) It is the purpose of this Act to create a governmental structure that will function as an advocate of rural areas and small communities presenting development issues before state, federal and local governments, and in the private sectors, and which will assist rural people and institutions in laying the foundations of a healthy rural private economic base.

* Sec. 2. AS 44.19 is amended by adding new sections to read:

Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established in the Office of the Governor the Rural Development Council. The chairman of the Council is appointed by the Governor and serves at his pleasure.

(1) The Council shall be located in the Office of the Governor.

The council consists of

(1) The Governor's Designated Chairman;

(2) a member of each house of the legislature appointed by the presiding officer of that house;

(3) the commissioners of the departments of transportation and public facilities, commerce and economic development, and community and regional affairs, and the director of the division of policy development and planning;

(4) six representatives of the private sector appointed by the governor who are residents of the rural area or small communities;

(5) the Alaska state director of the Farmers Home Administration of the United States Department of Agriculture and a designated representative of the Region X Rural Development Task Force who are ex officio members of the council and may attend and participate in all meetings of the council but may not vote.

also, AK. Dept. of Interior Rep.

(b) The members of the council appointed by the governor serve at the pleasure of the governor.

representatives from State & federal agencies, local governments, or other groups, and interested individuals to participate as deemed appropriate by the council.

(3) Compensation. The members of the Council who are not state or federal government representatives are entitled to receive reimbursement for travel expenses and per diem incurred on Council business in accordance with AS 39.20.180.

(4) Officers. There shall be officers of the Council as follows:

(a) A chairman;

The chairman may designate a vice-chairman who may preside in the chairman's absence.

(b) An executive director will be provided from the Office of the Governor.

Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the Council is to provide policy recommendation to the governor and the legislature. The Chairman shall assist The Director in coordinating the economic development activities of all departments and agencies of government so that the need for those activities and the impact of those activities on small communities and rural areas is considered and assist and coordinating the activities of departments and agencies of government which have field responsibilities in the rural areas to the extent that those activities relate to economic development. The Chairman shall also assist the governor in his advocacy function.

Sec. 44.19.216. MEETINGS. The Council shall meet at the call of the governor, the chairman, at the request of a majority of the members, and at least four times a year at a regularly scheduled time as determined by the members. The Council may convene meetings of heads of agencies or departments which are concerned with rural matters or economic development if the Council determines a meeting to be useful.

Sec. 44.19.221. POWERS AND DUTIES OF THE COUNCIL. The Council shall

(1) investigate and assess rural conditions;

(2) act as advocate for the development of an economic base which is compatible with preservation of the subsistence economy in rural Alaska, for community development and for public services which will enhance the opportunity for growth of an economic base in rural Alaska, and for other matters and programs useful to development of the private economy in rural Alaska;

(3) develop and recommend to the governor and the legislature rural development goals and policies;

(4) recommend to the governor and the legislature activities, programs, projects or strategies which will stimulate rural development in Alaska in accordance with adopted state rural development policies;

(5) recommend to the governor and the legislature the most effective uses of available federal funds to implement the priorities itemized in (4) above;

(6) assist in the interagency and intergovernmental coordination of economic development issues, activities in Alaska;

(7) submit to the governor, within one year of the effective date of this order and on a yearly basis thereafter, a report containing a summary of the Council's activities regarding the duties under (1), (3), and (4) of this section and making recommendations as to future rural development activities;

(9) act as advocate for rural development programs which are not within the jurisdiction of a specific department or agency;

(10) act as advocate for appropriate technology development and the advancement of entrepreneurial opportunities;

(11) encourage and assist in the creation and use of regional development enterprises.

The Council in complying with (4) in Sec. 44.19.221 may

(1) identify opportunities for joint investment strategies;

(2) facilitate rural development efforts approved by the governor by

(a) identifying interagency or intergovernmental procedural obstacles and providing assistance to such efforts in meeting legal requirements.

(b) coordinating technical and financial assistance efforts.

(c) offering its services as a mediator on specific conflicts arising in rural development issues.

Sec. 44.19.228. STAFF. Except for making inquiries, neither the Council nor an individual member of the Council may give orders to the staff on administrative matters.

Sec. 44.19.231. REPORTS. Before January 15 of each year, the Council shall submit to the legislature a comprehensive report describing the activities of the Council for the preceding year.

Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

(1) "council" means the Rural Development Council;

(2) "director" means the director of the Rural Development Council.

Sec. 3. AS 44.66.010(a) is amended by adding a new paragraph to read:

(8) Rural Development Council (AS 44.19.191 - 44.19.236) -- June 30, 1987.

Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 932 and Senate CS for CS for HB 932
Title An Act creating the Rural Development Council, etc.
Requested by Jim Duncan, Chmn., Budget & Audit Comm. Date

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Rural Development Council
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		106.1				
200 TRAVEL		29.5				
300 CONTRACTUAL		15.0				
400 COMMODITIES		2.0				
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		158.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3.0				
PART TIME		36.0				
TEMPORARY						

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

Personal Services:

Executive Director, Range 24	$48,792
Clerk Typist, Range 7	15,324
Secretary, Range 12	20,772
Total Salaries	$84,888
Add 25% Benefits	21,222
Total Personal Services	$106,110

Travel: 13 members x 6 meetings @$250 = 19,500
staff travel 10,000
Total travel $ 29,500

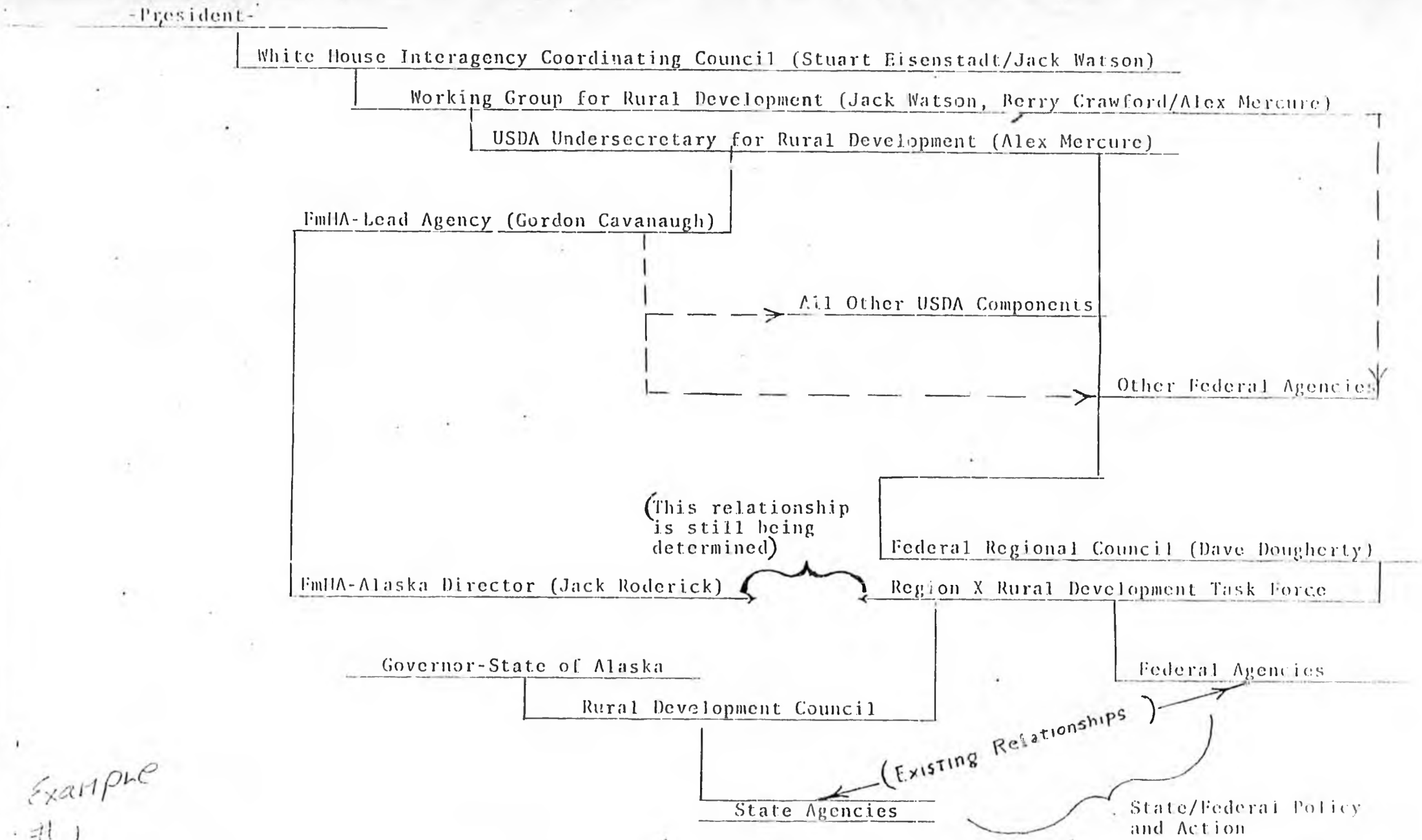
Contractual: Phone, postage, etc., $5,000; space, $10,000 $ 15,000

IV. DATE 4-14-80 PREPARED BY Milt Barker
AGENCY Legislative Finance
PHONE 465-3795

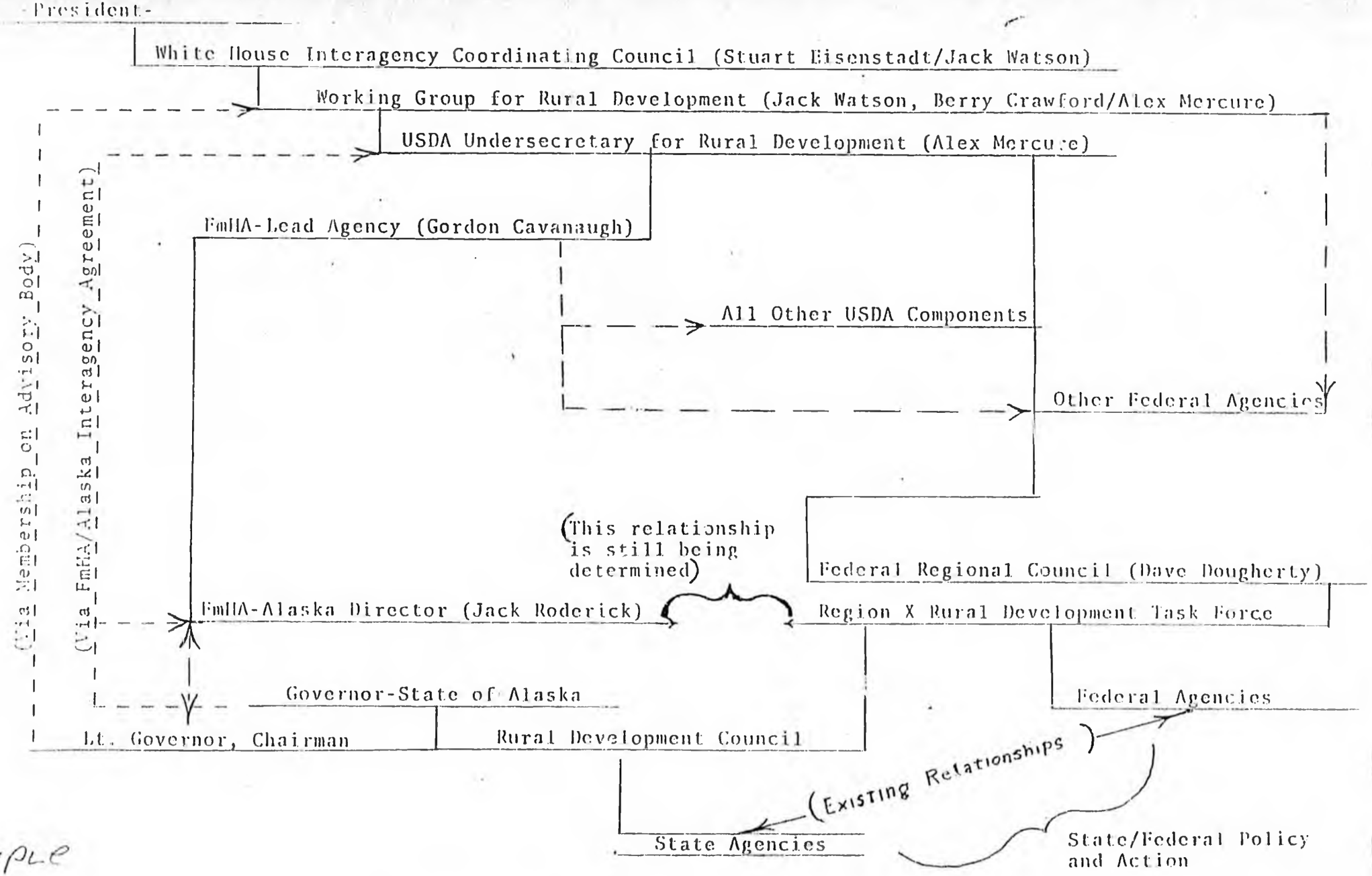
MB

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

33-001 (Rev. 12/79)


-President-
White House Interagency Coordinating Council (Stuart Eisenstadt/Jack Watson)
Working Group for Rural Development (Jack Watson, Berry Crawford/Alex Mercure)
USDA Undersecretary for Rural Development (Alex Mercure)
FmHA-Lead Agency (Gordon Cavanaugh)
All Other USDA Components
Other Federal Agencies
(This relationship is still being determined)
Federal Regional Council (Dave Dougherty)
FmHA-Alaska Director (Jack Roderick)
Region X Rural Development Task Force
Governor-State of Alaska
Federal Agencies
Rural Development Council
(Existing Relationships)
State Agencies
State/Federal Policy and Action

Example #1


President
White House Interagency Coordinating Council (Stuart Eisenstadt/Jack Watson)
Working Group for Rural Development (Jack Watson, Berry Crawford/Alex Mercure)
USDA Undersecretary for Rural Development (Alex Mercure)
FmHA-Lead Agency (Gordon Cavanaugh)
All Other USDA Components
Other Federal Agencies
(Via Membership on Advisory Body)
(Via FmHA/Alaska Interagency Agreement)
(This relationship is still being determined)
Federal Regional Council (Dave Dougherty)
FmHA-Alaska Director (Jack Roderick)
Region X Rural Development Task Force
Governor-State of Alaska
Federal Agencies
Lt. Governor, Chairman
Rural Development Council
(Existing Relationships)
State Agencies
State/Federal Policy and Action

Example #2

QUESTIONS & ANSWERS RE. HB 932

Q. Does this bill establish another agency to do what existing agencies should be doing now?

A. (1) The purpose of the office is to provide a focus of state agency activities and state investments for the purpose of finding our maximum leverage position with federal spending and private capital investment strategies.

There is no encroachment on the specific program duties of any existing agency.

(2) The office created is not an agency, it has no powers to receive and expend program monies, and the office and council are subject to sunset review.

(3) There is a need to begin reconciling the many disparate positions and interests representing Alaska's traditional and emerging economic aspirations. A consensus must be achieved among the many divergent positions that presently compete, to the detriment of all parties and the whole state in particular. Such a consensus, however limited it may be at the beginning, will allow the state to develop policies that may be vigorously pursued.

Q. Why should the legislature establish this office and council by statute?

A. (1) This bill describes Alaska's specific response to the president's invitation to participate in his New Rural Policy. By establishing the council in statute the legislature will be strongly supporting the Governor while creating a body through legislative intent that is capable of getting things done.

(2) The Governor's Office has indicated they would have established this council by executive order anyway - this bill considerably enhances the state consensus represented by the council in matters of Alaska/Federal economic policy.

Q. Would this legislation be of benefit to urban areas in Alaska?

A. To the extent that our urban economies are service oriented, which is considerable, those economies are dependent on the health and growth of the state's resource based economy. The future of this economy is largely in rural Alaska, hence rural development is also urban development.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 932
Title An Act creating the Office of Rural Development, etc.
Requested by Jim Duncan, Chmn., Budget & Audit Committee Date

II. FISCAL DETAIL
Agency Affected Office of the Governor
Program Category Affected Office of Rural Development
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		106.1				
200	TRAVEL		29.5				
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400	COMMODITIES		2.0				
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700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

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OTHER (Specify Fund Source)						

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Staff travel	10,000
Total travel	$ 29,500
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IV. DATE 4-14-80 PREPARED BY Milt Barker
AGENCY Legislative Finance
PHONE 465-3795

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

33-001 (Rev. 12/79)

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

465-2601

POUCH O – JUNEAU 99811

May 13, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

It is my understanding that th Senate Community and Regional Affairs Committee is currently considering HB 932, the Rural Development Act. Your staff has asked me to provide the Committee with a list of functions of the Department of Environmental Conservation for the Committee's use in determining appropriate representation of State agencies on the Rural Development Council. That list follows:

1. Funding construction of water and sewer facilities under the federal and State water and sewer bond programs and the Village Safe Water program. Under legislation already passed by th Committee, solid waste facilities would be grant eligible. We also certify and assist in the training of water and wastewater system operators.

2. Review of plans for surveillance of air emission sources, sewerage systems including on-lot sewage disposal (subdivision review), drinking water supplies and solid waste disposal facilities.

3. Oil and hazardous waste spill prevention and cleanup. This fiscal year the department wil develop a model contingency plan for small communities for oil spill protection.

4. Certification of dredge and fill activities and other activities resulting in discharge into navigable waters for compliance with State water quality standards. Under the Federal Clean Water Act, a designated State agency must provide the certification of activities requiring permits from the Corps of Engineers, Environmental Protection Agency, Coast Guard (bridges), and Federal Energy Regulatory Commission (dams).

5. Membership on the Coastal Policy Council.

6. Analysis of various water related environmental problems, with proposed solutions, such as waste oil generation and disposal, and sewage disposal.

If I can be of any further assistance in this matter, please advise.

Sincerely,

C. Deming Cowles

C. Deming Cowles
Deputy Commissioner

CENTRAL COUNCIL
tlingit and haida indians of alaska
One Sealaska Plaza - Suite 200
Juneau, Alaska 99801
(907) 586-1432 or 586-3613

TESTIMONY OF ANDREW W. EBONA

on

HOUSE BILL 932, "AN ACT CREATING THE OFFICE OF RURAL DEVELOPMENT, AND THE RURAL COUNCIL: AND PROVIDING FOR AN EFFECTIVE DATE."

(Presented at the Joint House and Senate Community & Regional Affairs Committee Teleconference on March 28, 1980.)

MADAME CHAIRMAN, MR. CHAIRMAN, HONORABLE SENATE AND HOUSE COMMITTEE MEMBERS, LADIES AND GENTLEMEN. I AM ANDREW W. EBONA, EXECUTIVE DIRECTOR OF THE CENTRAL COUNCIL OF THE TLINGIT & HAIDA INDIANS OF ALASKA. FOR THOSE OF YOU WHO ARE NOT AWARE, THE TLINGIT AND HAIDA CENTRAL COUNCIL IS THE CONGRESSIONALLY-RECOGNIZED GENERAL GOVERNING BODY FOR OVER 16,000 TLINGIT AND HAIDA INDIANS IN SOUTHEAST ALASKA. A MAJORITY OF THOSE CONSTITUENTS RESIDE IN RURAL ALASKA, WHICH MAKES HOUSE BILL 932 EXTREMELY IMPORTANT TO US.

ALLOW ME TO FURTHER QUALIFY OUR TESTIMONY. THE CENTRAL COUNCIL HAS TWO BASIC DEPARTMENTS ... THE DEPARTMENT OF COMMUNITY SERVICES AND THE DEPARTMENT OF HUMAN SERVICES. BOTH WORK DIRECTLY WITH OUR NINETEEN (19) COMMUNITIES IN DELIVERING SERVICES. AS A RESULT OF INPUT FROM THOSE COMMUNITIES, WE FEEL THAT WE CAN STATE POSITIVELY THAT WE HAVE EXTENSIVE WORKING KNOWLEDGE OF THE RURAL AREA. AS A MATTER OF INFORMATION, WE HAVE ALSO PARTICIPATED WITH VARIOUS OTHER REGIONAL NATIVE NON-PROFITS AND STATE/FEDERAL AGENCY REPRESENTATIVES ON A TASK FORCE FOR RURAL DEVELOPMENT. THIS TASK FORCE HAS BEEN IN EXISTENCE FOR THREE YEARS AND HAS BEEN ATTEMPT-

ING TO COORDINATE THEIR EFFORTS IN DELIVERING SERVICES TO THE RURAL COMMUNITIES AS THE RURAL DEVELOPMENT COUNCIL WOULD HOPE TO DO. THE RECOMMENDATIONS AND SUPPORT THAT WE ADVANCE HERE ARE OFFERED IN THE HOPE THAT THE STATE WILL BE ABLE TO UTILIZE AND LEARN FROM OUR EXPERIENCES.

HB 932, "AN ACT CREATING THE OFFICE OF RURAL DEVELOPMENT, AND THE RURAL DEVELOPMENT COUNCIL", PRESENTS A CONCEPT WHICH WE WHOLEHEARTEDLY ENDORSE. WE ARE ALL AWARE THAT ONE OF THE CONDITIONS, WHICH GENERATES OR RELATES DIRECTLY TO MANY OF THE RURAL ALASKA PROBLEMS, IS THE LACK OF AN ECONOMIC BASE IN THE RURAL AREAS. THIS PIECE OF LEGISLATION WAS DEVELOPED IN RECOGNITION OF THIS AND THEREFORE EARNS OUR SUPPORT.

THOSE PROVISIONS WHICH PROVIDE FOR COUNCIL APPOINTMENT ATTEMPT TO SET UP A MECHANISM WHICH WOULD PROVIDE FOR COORDINATION OF EFFORT IN ALL ACTIVITIES DIRECTED TOWARDS THE RURAL COMMUNITIES. THIS IS INDEED LAUDABLE CONSIDERING THE FACT THAT EFFORTS IN THE PAST HAVE BEEN MADE ON AN AGENCY-BY-AGENCY, PIECEMEAL BASIS. WE ARE, HOWEVER, CONCERNED THAT AGENCY REPRESENTATION WOULD OVERWHELM RURAL REPRESENTATION. A WAY TO AVOID THIS WOULD BE TO PLACE THE STATE DEPARTMENT REPRESENTATIVES ON THE RURAL DEVELOPMENT COUNCIL IN AN EX-OFFICIO CAPACITY. WE WOULD ALSO HOPE THAT THE STATE DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT WOULD BE INCLUDED ON THE LIST OF RELATED DEPARTMENTS, SINCE IT IS RURAL DEVELOPMENT THAT IS BEING ADDRESSED.

TO DATE THERE HAS BEEN NO FORMAL STATE POLICY CONCERNING RURAL DEVELOPMENT. THE POLICY OF THE LEGISLATURE AS OUTLINED ON PAGE ONE OF THE BILL WOULD BE ACCEPTABLE AS THE GOALS AND OBJECTIVES OF THE COUNCIL. WE RECOMMEND THAT ONE OF THE RESPONSIBILITIES AND OUTCOMES OF THE COUNCIL

WOULD BE THE DEVELOPMENT OF SPECIFIC POLICIES THE STATE COULD AND WOULD UTILIZE IN COORDINATING RURAL DEVELOPMENT. THIS MEANS THAT THE COUNCIL MUST HAVE SOME SORT OF AUTHORITY TO RECOMMEND STATE POLICY AND TO ASSURE THAT IT IS FOLLOWED.

OTHER CONSIDERATIONS THAT MUST BE TAKEN ARE THE MAKE-UP OF THE COMMUNITIES THAT COMPRISE RURAL ALASKA. THE BULK OF THOSE COMMUNITIES ARE MADE UP OF ALASKA NATIVES. WE URGE THAT THIS BE TAKEN INTO CONSIDERATION WHEN APPOINTMENTS ARE BEING MADE. THE STATE MUST ALSO RECOGNIZE THE ROLES AND THE RESULTING IMPACT THE REGIONAL AND LOCAL PROFIT AND NON-PROFIT NATIVE CORPORATIONS HAVE IN THE RURAL COMMUNITIES. THEY ALSO SHOULD BE REPRESENTED ON THE RURAL DEVELOPMENT COUNCIL.

WITH THE INCLUSION OF THESE RECOMMENDATIONS IN HOUSE BILL 932 THE CENTRAL COUNCIL GOES ON RECORD IN TOTAL SUPPORT OF AN OFFICE OF RURAL DEVELOPMENT AND A RURAL DEVELOPMENT COUNCIL.

Andrew W. Ebona, Executive Director
Central Council of the Tlingit &
Haida Indian Tribes of Alaska
One Sealaska Plaza, Suite 200
Juneau, Alaska 99801
(907) 586-1432

Jay Barton
President

UNIVERSITY OF ALASKA
FAIRBANKS ALASKA 99701

May 5, 1980

Dear Senator Sturgurlewski and Committee Members:

CSHB932, creating an office of rural development and a Rural Development Council, has been referred to Senate Community and Regional Affairs Committee after having passed on the House floor.

The original HB932 proposed a sixteen voting-member Council. CSHB932 deleted "two members appointed by the Governor who are engaged in private enterprise which has significant rural involvement" and "the director of cooperative extension service of the University of Alaska" (p. 3, HB932). The director of cooperative extension may not have been the most appropriate representative, however, I would suggest that the University of Alaska's massive data collection on rural Alaska, would make University representation a valuable asset to the Council.

The Agricultural Experiment Station, the Institute of Social and Economic Research, the Mineral Industry Research Laboratory and the Arctic Environmental Information and Data Center, to name a few, have all worked extensively and accumulated a wealth of information on rural Alaska. Incidentally, the State Legislature created three of the above named institutes and mandated the fourth. They and other research institutes are described in the 1978-79 Research Annual Report which was sent to you in early February.

As a land grant institution, the University of Alaska is attempting to respond to the needs of the people of the State. University membership on the Rural Development Council would serve the mutual purpose of keeping the University informed of the changing needs and priorities of rural Alaska while bringing University resources to bear in the deliberations of the Council.

I recommend that a provision be incorporated into CSHB932 which would add to the council a representative of the University of Alaska research institutes, to be appointed by the President of the University. Whether or not a University representative is added, I would encourage the research institutes to cooperate with the office of rural development and the Rural Development Council whenever possible. I believe that University membership on the Council would expedite communication and cooperation.

Very truly yours,

Jay Barton

Jay Barton
President

JB:ca

Senator Arliss Sturgulewski, Chairperson
Senate Community and Regional Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

March 24, 1980

The Honorable William K. Parker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Bill,

With reference to HB932, an alternative creating the Governors Office of Rural Development and the Rural Development Council, I would like to offer the following comments:

1) The creation of the Governors Office of Rural Development is the most direct method for meeting the states responsibility to recognize the "special relationship" which exists between the state govenment and rural Alaskans. A possible alternative may be the creation of rural desks within state departments. However; cost constraints make this opiton less attractive.

2) The existing Rural Development Council is capable of providing necessary policy direction and other duties as proposed. Also, the current composition and leadership are dedicated to the orderly and meaningful development of rural Alaska. In addition to most state departments, the current membership includes representation from major nonprofit corporations and federal agencies with significant operating programs in rural Alaska.

If you have any questions or comments please call.

Sincerely,

COMMUNITY ENTERPRISE DEVELOPMENT
CORPORATION OF ALASKA

JEFF HIATT
Special Projects Manager

JH:kra

CEDC

Community Enterprise Development Corporation of Alaska
1011 E. Tudor Road, Suite 210/Anchorage, Alaska 99503. 907-279-4551

Return to 1

COOPERATIVE EXTENSION SERVICE

UNIVERSITY OF ALASKA
FAIRBANKS ALASKA 99701

May 2, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Arliss:

I have reviewed the committee substitute for House Bill 932, which I understand passed the House recently and is referred to your committee. An earlier version included the Director of Cooperative Extension as a member. The version which I understand passed dated 4/18/80 does not.

As you know, the Director of Cooperative Extension serves as continuing Executive Secretary of the Alaska Rural Development Council. That role has provided continuity for the Council since its inception in 1971. I believe that the record of the Council has been very positive in promoting communication, a public forum, and coordination of state, federal, local government, and private agency coordination.

The legislation as proposed in #932 appears to move another step in addressing coordination in the developing of policy and programs as it relates to rural Alaska.

Retaining the Director of Extension as a member of the Council proposed originally in #932 would provide an important linkage between the two structures, which although have similar interests would very likely address their role at a different pace. It would also provide a linkage with outreach programs of the University that have as a principle mission educational support oriented towards development of rural Alaska.

I hope that consideration can be given to that concern as the Senate addresses their interest in the legislation. The Executive Secretary of the Alaska Rural Development Council is a member of the Board of Directors of the Council.

Attached for your information is a copy of the Council's brochure, currently being updated, and a copy of letterhead that reflects the scope of involvement in the Alaska Rural Development Council.

Thanks for your consideration in this matter, which I understand is now being considered by your committee.

Sincerely,

Jim Matthews

James W. Matthews
Director

JWM/ml

Attachments

cc: Senator John Sackett
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator George Hohman
Marvin Meier - USFS & Chairman of the Alaska Rural Development Council

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

January 21, 1980

SUBJECT: Special Assignment on Alaska

TO: Alex P. Mercure
Assistant Secretary
for Rural Development

I met first with the staff director of the Seattle FRC in Seattle. In Juneau, I met with both administrative and legislative staff as arranged by Governor Hammond's assistant, Bob Palmer. I spent considerable time with Secretary's Representative Fisher, FmHA State Director Roderick, Alaska Federation of Natives President Morrie Thompson (former head of BIA), the small farms and conservation districts committees, and many other citizens, legislators, and natives. Opinions expressed to me were amazingly consistent on the following issues:

- o Political labels are quite unimportant. Support for an organized approach to rural development has bipartisan support in the legislature and between the legislature and the governor. There seems to be wide support for Lt. Governor Terry Miller as the next governor.

- o Development needs are well defined and understood as you heard when you were there last June.

- o The State has incredible developmental resources at its disposal through the oil revenues--yet there is universal concern that only the other guy's needs will be met and not everyone's, and that the revenues will be used to meet short-run exigencies rather than to build a viable economy that can sustain itself after the oil revenues cease.

- o The State must develop a self-sustaining economy--and, in particular, a viable agriculture economy--in order to avoid continuous boom and bust cycles.

- o The main problems are seen as the inflexibility of federal programs, in program managers who cannot respond to the unique needs and opportunities of the State, and the lack of coordination among federal programs and the management of them.

A less widely recognized problem soon became clear: the main problem is not the lack of federal flexibility as much as it is a lack of political consensus in the State. As the President's Policy on Small Community and Rural Development emphasizes, rural development programs of all levels of government come together at the State, not the national level. Effective coordination of policy and activities must, therefore, be under strong leadership within states. Alaska has the resources but has not had the political will to forge a consensus on the use of the resources. Until a consensus is developed, assumption of leadership for rural development involves great risk.

Evidence of the lack of consensus is in the myriads of task forces, committees, subcommittees, conferences, hearings, and on and on that exist in the state to bring the right people together and to coordinate their efforts--and to avoid having to make the hard choices. The numbers of them and the frequency of their meetings is mind-boggling in a state with less than half a million population spread over such great area. The problems and opportunities have been studied, debated, discussed, and reported on almost beyond comprehension. Yet, there exists nothing to bring them together into a coherent whole. Recommendations abound, but no one has yet been able to devise the tradeoffs necessary to subordinate goals and priorities.

Recently, however, several things have fallen into place:

- o Governor Hammond has asked Secretary Bergland to work with him to create a state/federal partnership for rural development.

- o The staff of Representative Jim Duncan, Chairman of the House Budget and Audit Committee, has just about completed a study and recommendations of desirable relationships for coordinated development among state agencies, and a framework to work out others.

- o The President's policy provides the vehicle necessary to get federal agencies organized and working with each other and with state and local officials at the federal and the state levels.

With the exception of one issue, the Alaska Railroad (discussed below), the federal government should not attempt to assume the state's burden by setting up a study or a series of task-oriented task forces. The problems have been studied to death. What is needed is full federal support for the state's assumption of the role of convening the important actors to begin to set priorities. Once the priorities have been set, the federal government, with the state, can pursue activities--or further studies if necessary--to meet the priorities.

If the Governor is willing to designate a Rural Development Council in accord with the President's invitation, and if he is willing to put it under the leadership of someone with recognized status (the Lt. Governor, for example), federal agencies will be willing to participate as per their orders from the Working Group on Small Community and Rural Development. Thus, the structure for state policy-setting plus intergovernmental coordination of policy and implementing actions would be in place.

Life could be breathed into such a structure, and political consensus boosted, by a highly visible state/federal memorandum of agreement to make it all work. USDA, through the Seattle FRC Rural Development Task Force, should take the lead role in preparing and implementing the agreement. (The study being prepared for Representative Duncan's Committee recommends that USDA (FmHA) take the lead among federal agencies. Both the Department and Secretary Bergland are popular in Alaska.) A highly visible agreement and effort to develop a joint investment strategy are very important because of the huge federal presence in Alaska and the universal distrust of the dominant federal partner--the Department of the Interior.

funding

An agreement could specify the course to be followed to reach initial consensus on overall goals and priorities. So that all federal agencies would have reason to actively participate, the agreement could even specify task forces and lead agency responsibility to perform the background work necessary to set priorities. The agreement could provide funding for staff to the Governor's Council: EDA 304 funds could be used as well as FmHA 111 funds. Other agencies, especially Interior, could be encouraged to contribute.

It would take some very high quality staff work to help forge the consensus and leadership that are necessary. Someone will have to be brought into the state at a high salary. This and the high travel costs will make the staff support quite expensive.

RECOMMENDATIONS:

- The Board of Directors of the Council of State Community Affairs Agencies (COSCAA) is meeting in Juneau early in July. This will get some very high-powered state officials into Alaska, e.g., Hank Huckaby, Community Affairs Commissioner in Georgia; and Paula Herzmark, Executive Director of the Department of Local Affairs in Colorado. If we will cover their additional per diem and travel expenses, they will conduct training seminars and dialogues with appropriate state and local officials.

- I understand that Jack Watson and Berry Crawford will be going to Alaska after they attend the USDA Workshop to be held in Spokane, March 17-20. Jack Watson could announce that he and you have directed the newly formed Region X FRC Rural Development Task Force to begin at once to negotiate a memorandum of agreement for a state/federal rural development partnership.

- As a broader than FmHA/State agreement, it could be signed by Jack Watson and you or, perhaps, by the Secretary. A special show of concern and commitment by the Secretary could go far to smooth over the ill feelings for the President that derive from the popular animosity toward Interior and the land settlement issue.

- If the ceremony took place while the COSCAA group was there, the agreement could be credited for the assistance they would be there to provide--and it would impress them too.

- As you know, the Alaska Railroad is crucial to the development of large-scale agriculture in the Delta area near Fairbanks. There is a lot of controversy over freight rates--the RR wants to charge the barley project full costs for returning the empty train, making the price of the barley noncompetitive. I recommend that a task force to address this issue be set up soon. Berry Crawford has a special interest in it. With your direction, I could work with him and Bob Palmer to get something going right away.

NOTES:

- The Alaska natives control most of the state's developable private land and venture capital. State officials and the public recognize this and seem to be very eager and quite willing to give the natives a prominant role in the state's development.

- On the other hand, at a legislative hearing on discrimination, I heard a lot of testimony that the pipeline and drilling companies discriminate against minorities and women.

- The development of a bottom fishing industry is of special concern to the White House. EDA has funded an infrastructure development planning project to develop a plan that could coordinate and guide investments of public funds by federal agencies, the state, municipal governments, and port districts in support of fisheries development and related community growth. No doubt, a lot can be learned from this project on how to go about creating a joint investment strategy in Alaska.

- A study to inventory all of the task forces, committees, etc., involving federal agencies is underway under the aegis of the Seattle FRC.

CRAIG BIGLER

T
file HB932

CITY OF AKIACHAK

AKIACHAK CITY COUNCIL
AKIACHAK, ALASKA 99551
(907) 825-4001

Senator Arliss Sturgulusky
Alaska State Senate
Pouch V
Juneau, Alaska -99811-

Dear Senator Sturgulusky,

I would like to extend my thank you on behalf of A.V.C.P., Employment & Training and other City Administrators who participated on the Government outreach Program.

I really appreciate your concern for formation of Rural Development Office and formation of Rural Development Council. Your effort as a chairman for Senate Community and Regional Affairs Committee will have positive economic impacts to rural Alaska Communities.

I have drafted a resolution supporting H.B. 932 to be adopted by Akiachak City Council. Your effort to establish healthy economic base will benefit the whole community as well as other villages.

Your support to allow more Revenues to be allocated to rural Alaska will help municipal governments to establish healthier economic base.

Thank you for your effort.

Sincerely,

Sam George

Sam George
City Administrator

CC/ Theresa Peoples
Local Government & Training
Coordinator

John Angaiak
Director.

Rural Alaska Community Action Program, Inc.

I have [illegible] this will help [illegible] me from [illegible]

TO: DISTRIBUTION

DATE: April 1, 1980

FROM: Phil Smith, Executive Director

SUBJECT: Attached (testimony on HB 932)

Attached, for your information and comment, is a copy of the testimony I prepared and delivered last Friday before the Joint House/Senate CRA Committees on HB 932.

In essence, it is a good Bill and sorely needed to meet the problems and issues it identifies. My only problem is that it doesn't seem to go far enough to serve as an instrument to truly force the Administration to develop appropriate rural Development policies for Alaska.

I would be interested in your comments and observations. Clearly, the time has come to push this issue.

Thanks for your help.

cc: Rep. Bill Parker
Sen. Arliss Sturgelewski
Rep. Jim Duncan
Bob Knoll, Mauneluk Assn.
Bob Peterson, KANA
Charles Johnson, Kawerak
Roger Lang, ANF
Janie Leask, AFN
Jeff Hiatt, CEDC
Don Argetsinger, Governor's Office
Jim Fisher, USDA
Ms. Lare, DCRA/RDA

• P.O. Box 3-3908, Anchorage, Alaska 99501 • (907) 279-2511

Rural Alaska
Community Action Program, Inc.

TESTIMONY OF

PHIL SMITH, EXECUTIVE DIRECTOR
RURAL ALASKA COMMUNITY ACTION PROGRAM, INC.

BEFORE

JOINT HOUSE/SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES

HB 932

MARCH 28, 1980

Administration • P.O. Box 3-3908, Anchorage, Alaska 99501 • (907) 279-2511

Ladies and Gentlemen of the Joint Committee on Community and Regional Affairs, for the Record, my name is Phil Smith. As Executive Director of the Rural Alaska Community Action Program, I welcome and appreciate this opportunity to testify on House Bill 932, and to express my support for its passage. Clearly, the issue of rural development in Alaska is one which is both timely and appropriate for the Legislature to address.

At the outset, I would like to congratulate the author and sponsor of the Bill for recognizing the serious plight of rural Alaska. Further, the Statement of Findings, Policy, and Purpose contained in Section 1 of the Bill is laudable, if for no other reason than that the Bill proclaims the policy that "Villages and small communities should exist in the State." In spite of that important and significant policy statement, however, Section 1 may be a little too open to interpretation. Terms need to be defined.

For instance, what is really meant by "Rural Development," a "healthly private economic base," and "the advocacy of a private economy?" If the assumption is that the public interest is to be served by the existence of small towns and vallages in Alaska, then the Bill's emphasis on development of a "private economic base" seems to me to respond to only a small part of the challenge.

There is no doubt in my mind that there is a demonstrated need for the State of Alaska to develop an economic policy for rural Alaska. Absent such a policy, the "economic crisis" referred to in the Bill will undoubtedly continue. Also, absent such a policy, it will be difficult, if not impossible, to devise and implement appropriate policies relating to Energy, Transportation, Telecommunications, Human Services, Local Government, and the whole host of other public issues which impact the lives of village people.

So, yes, we need an economic policy. I am not sure, however, that we need to develop such a policy by transferring all of the assumptions of the Western Cash Economy onto the backs of village people. An "economic policy" for rural Alaska must be one which is appropriate to each locale, not one that is designed only to maximize capital i' the private sector in order to develop busisnesses for their own sake. An appropriate economic policy for rural Alaska must include a thorough and sensitive analysis of the nutritional/cultural/economic imperative of subsistence. Additionally, it must be planned and it must grow from the village and from the villager's own aspirations. Any "economic policy" devised in Washington or Seattle or Juneau or Anchorage and thrust upon the villages may well do far more harm than good.

Accordingly, as the language of HB 932 is further developed, I would suggest that the Statement of Findings, Policy, and Purpose be re-worked to demonstrate a high degree of sensitivity to what rural development is really all about -- that is, the well-being of rural Alaskan people on their own terms, with t heir own expectations being the bell-wether against which to measure its success, and the freedom and the authority to control their own destiny. It is clearly not enough to import the failing of the Western Cash Economy to rural Alaska.

All of the above implies a significant and most complex challenge for those who would develop public policy. Unfortunately, the mechanism proposed in HB 932 (the creation of a "Rural Development Council" and a staff position, both lodged within the Office of the Governor) may not be adequate to respond to the issues and concerns that the Bill itself identifies.

The pervasive assumption behind the need to create the Council and the Office of Rural Development is that existing mechanisms already available to the Administration (such as the Department of Community and Regional Affairs and other line

DEPARTMENTS AND AGENCIES OF STATE GOVERNMENT, THE DIVISION OF POLICY DEVELOPMENT AND PLANNING IN THE GOVERNOR'S OFFICE, THE STATUTORIALLY AUTHORIZED BUT UNFUNDED RURAL AFFAIRS COMMISSION, AND OTHER STRUCTURES AVAILABLE TO THE GOVERNOR) LACK EITHER THE MANDATE, THE ' OR THE DIRECTION TO DO THE JOB. SINCE THERE IS A PERCE OF COMMITMENT ON THE PART OF THE ADMINISTRATION TO FORTHRIGHTLY ADDRESS THE PROBLEM, I AM CONCERNED THAT ALL THIS BILL REALLY DOES IS TO HAND THE GOVERNOR YET ANOTHER STRUCTURE WHICH MAY OR MAY NOT FUNCTION. THEREFORE, BOTH THE POWER AND THE AUTHORITY OF THE COUNCIL NEED TO BE CONSIDERABLY EXPANDED.

ANOTHER CONCERN I HAVE WITH THE STRUCTURE, SCOPE, FUNCION, AND MANDATE OF THE COUNCIL, AS OUTLINED BY THE BILL, IS THAT (WITH THE EXCEPTION OF THE DIRECTOR OF THE COOPERATIVE EXTENSION SERVICE OF THE UNIVERSITY), THERE IS NO ROOM FOR FEDERAL INVOLVEMENT. PRESIDENT CARTER'S DECEMBER 20TH PROMULGATION OF THE "SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY" OF THE UNITED STATES GOVERNMENT IS A CLEAR INVITATION AND A CHALLENGE FOR GOVERNORS TO EXTABLISH STATE RURAL DEVELOPMENT COUNCILS AS MECHANISMS FOR INSURING COORDINATION OF JOINT FEDERAL/STATE EFFORTS TO IMPLEMENT LOCAL RURAL DEVELOPMENT PRIORITIES. IN SHORT, THE PRESIDENT IS ASKING STATES TO TELL THE FEDERAL GOVERNMENT WHAT RESPONSES IN FEDERAL POLICY AND PROGRAMS AND FUNDING PRIORITIES ARE NEEDED IN ORDER TO ACTUALIZE THE DEVELOPMENTAL DESIRES OF RURAL AMERICA.

ALTHOUGH I ADMIT IT IS POSSIBLE (EVEN TEMPTING ON OCCASION) TO BE CYNICAL ABOUT THE MOTIVES OF THE FEDERAL GOVERNMENT AS THEY RELATE TO ALASKA, THERE IS EVERY INDICATION THAT, AT LEAST IN THIS INSTANCE, THE PRESIDENT IS SERIOUS. IF THE PURPOSE OF HB 932 IS TO ESTABLISH A STRUCTURE TO TAKE ADVANTAGE OF PRESIDENT CARTER'S RURAL INITIATIVES, IT SEEMS TO ME THAT FEDERAL PARTICIPATION OF THE COUNCIL IS INDICATED.

IN CLOSING, I WOULD LIKE TO REITERATE MY SUPPORT OF HB 932, AND URGE ITS PASSAGE ONCE MORE. AS I NOTED EARLIER, THERE IS A SIGNIFICANT LACK OF POLICY DEVELOPMENT AND POLICY

DIRECTION RELATING TO COMMUNITY DEVELOPMENT IN RURAL ALASKA. THAT THIS FACT IS RECOGNIZED BY THE AUTHORS OF THE BILL AND BY THE COMMITTEES HOLDING HEARINGS ON IT IS A SIGNIFICANT STEP IN THE RIGHT DIRECTION. THE WEAKNESSES IN THE BILL WHICH I HAVE NOTED IN THIS TESTIMONY ARE MINOR. SHOULD THE COMMITTEES BE INTERESTED, I WOULD BE HAPPY TO WORK WITH THE MEMBERS TO ASSIST IN DRAFTING APPROPRIATE AMENDMENTS. BEYOND THAT, I AM SURE THAT OTHERS TESTIFYING TODAY WILL LIKEWISE COMMIT THE NECESSARY TIME AND EFFORT TO ASSURE THAT A COMMITTEE SUBSTITUTE EMERGES WHICH CAN DO THE JOB THAT SO DESPARATELY NEEDS TO BE DONE.

THANKS VERY MUCH FOR THE OPPORTUNITY TO TESTIFY. I WOULD BE HAPPY TO ENTERTAIN ANY QUESTIONS YOU MIGHT HAVE.

SPECIAL PROJECTS OFFICE
Office of the Governor

TO: Twyla Hartsuck A.A
c/o Senator Strogulewski
MAIL STOP: Rm 100 - ~~Capitol~~ Assembly

FROM: JULIE HICKEY
special projects office
office of the Governor

---

message:

The Xerox was in the blank. If the docent desk, please give to Mary if appropriate for your information. Get well soon!

Date: 3-19-90

Before the House Community and Regional Affairs Committee
March 19, 1980

MR. CHAIRMAN, SENATORS AND MEMBERS OF THE COMMITTEE:

MY NAME IS BOB PALMER. I AM THE SPECIAL PROJECTS COORDINATOR FOR THE OFFICE OF OF THE GOVERNOR AND I AM HERE TODAY TO PRESENT THE VIEWS OF THE HAMMOND ADMINISTRATION ON HOUSE BILL 932.

PERHAPS A LITTLE BACKGROUND WOULD BE BENEFICIAL TO PUT THE SITUATION IN FOCUS.

GOVERNOR HAMMOND AND I ATTENDED THE ANNUAL MEETING OF THE WESTERN GOVERNORS' ASSOCIATION IN SUN VALLEY, IDAHO, LAST SUMMER -- JUNE 10 - 13, 1979. AT THAT MEETING, JACK WATSON, EXECUTIVE ASSISTANT TO PRESIDENT CARTER, AND ALEX MERCURE, UNDERSECRETARY OF AGRICULTURE, PRESENTED TO THE GOVERNORS A SUMMARY OF A NEW FEDERAL PROGRAM THAT HAS COME TO BE KNOWN AS THE WHITE HOUSE RURAL INITIATIVES PROGRAM. THIS WAS PRESENTED AS A TOP PRIORITY PROGRAM OF PRESIDENT CARTER WITH JACK WATSON AND ALEX MERCURE SERVING AS CO-CHAIRMEN. THE ULTIMATE OBJECTIVE IS SIMPLY TO IMPROVE LIVING CONDITIONS AND LIVES OF THE PEOPLE IN RURAL AMERICA. ALL ALASKA IS TOTALLY RURAL OR SMALL COMMUNITY AND THE OVERALL STATE WOULD BE INVOLVED IN THIS EFFORT.

SHORTLY AFTER THAT MEETING, UNDERSECRETARY MURPHY SPENT ABOUT TEN DAYS TRAVELING THROUGHOUT RURAL ALASKA, SURVEYING THE LIVING CONDITIONS AND FAMILIARIZING HIMSELF WITH SOME OF THE PROBLEMS OF ALASKA.

AT THE END OF THAT TIME, HE MET WITH GOVERNOR HAMMOND AND ME TO DISCUSS THE POSSIBILITY OF ALASKA ACCEPTING THE FEDERAL GOVERNMENT'S OFFER TO JOINTLY ADDRESS THE PROBLEM AND ATTEMPT TO GET BETTER RESULTS FROM THE FEDERAL DOLLARS NOW COMING INTO ALASKA.

AT THE END OF THAT MEETING, GOVERNOR HAMMOND STATED THAT HE DID WISH TO INITIATE SUCH A PROGRAM TO MAKE THAT COMMITMENT TO RURAL DEVELOPMENT AND THAT THE ALASKA AGRICULTURAL ACTION COUNCIL WAS DESIGNATED AS THE STATE AGENCY RESPONSIBLE FOR THE THE PROGRAM IN ALASKA. GOVERNOR HAMMOND REPEATED THOSE STATEMENTS IN A SUBSEQUENT LETTER TO SECRETARY BERGLAND, SECRETARY OF AGRICULTURE. ON THE WASHINGTON LEVEL, THE DEPARTMENT OF AGRICULTURE IS THE LEAD AGENCY OF A TEAM COMPOSED OF TOP-LEVEL PEOPLE DESIGNATED FROM MOST OF THE OTHER DEPARTMENTS. ON THE REGIONAL X LEVEL IN SEATTLE, THE TEAM IS CHAIRED BY DON CAMPBELL, U.S. DEPARTMENT OF AGRICULTURE.

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

November 14, 1979

TO WHOM IT MAY CONCERN:

This is to introduce Kris Patterson, a Research Associate with the Alaska Native Foundation.

The Foundation is working on a project for the Legislative Budget and Audit Committee to research and document the background, mechanisms and success of the interagency agreements between the Federal Government and various states.

Information gleaned from this process and subsequent recommendations are being developed in cooperation with the Office of the Governor.

We would appreciate any assistance which you can provide Ms. Patterson relative to this project.

BOB PALMER
Special Projects Coordinator
Office of the Governor

REPRESENTATIVE JIM DUNCAN
Chairman
Legislative Budget and Audit Committee

A CONSIDERABLE AMOUNT OF TIME HAS ELAPSED AS THE FEDERAL GOVERNMENT FLESHED OUT THE BONES OF WHAT WAS ORIGINALLY ONLY THE SKELETON OF A CONCEPT.

ON DECEMBER 20, 1979, PRESIDENT CARTER FINALLY WENT PUBLIC WITH THE OFFICIAL ANNOUNCEMENT OF THE WHITE HOUSE RURAL INITIATIVES PROGRAM AND THE MECHANISM FOR ACCOMPLISHING ITS OBJECTIVES BEGAN TO TAKE SHAPE.

OVER THE MONTHS, THE GOVERNOR'S OFFICE HAS HAD NUMEROUS CONTACTS WITH WHITE HOUSE OFFICIALS AND SECRETARY BERGLAND IN TRYING TO DETERMINE HOW THE PROGRAM WAS EVOLVING AND THE PROPER ROLE OF THE STATE IN ORDER TO MAXIMIZE THE BENEFIT TO THE STATE AND ITS PEOPLE.

FINALLY, ON THE 26TH OF FEBRUARY, THE GOVERNOR AND I MET WITH WHITE HOUSE OFFICIALS AT THE NATIONAL GOVERNORS' ASSOCIATION ANNUAL MEETING IN WASHINGTON, D.C., AND LAID OUT THE SCENARIO AS WE WOULD LIKE IT TO WORK IN ALASKA. THERE WAS COMPLETE APPROVAL OF OUR PROPOSAL.

HB 932 introd. Mar. 4, 1980

ON MARCH 7, THE ALASKA STATE COMMISSIONERS OF COMMERCE AND ECONOMIC DEVELOPMENT,

COMMUNITY AND REGIONAL AFFAIRS, EDUCATION, FISH AND GAME, HEALTH AND SOCIAL SERVICES, LABOR, MILITARY AFFAIRS, NATURAL RESOURCES, AND TRANSPORTATION WERE ADVISED OF THE GOVERNOR'S INTERACTION WITH THE FEDERAL GOVERNMENT AND REQUESTED TO DESIGNATE A TOP-LEVEL ASSISTANT TO SERVE ON THIS TEAM, COMMITTEE OR COUNCIL OR BECOME MEMBERS THEMSELVES. THE DIVISION OF POLICY DEVELOPMENT AND PLANNING HAD ALREADY BEEN BROUGHT ON BOARD. SIMULTANEOUSLY, WE BEGAN SEARCHING FOR A FULL-TIME EXECUTIVE DIRECTOR TO STAFF THE COMMITTEE OR COUNCIL.

WE ARE BROADENING THE EXPERTISE OF THE GROUP STILL MORE BY INVITING REPRESENTATIVES FROM THE ALASKA FEDERATION OF NATIVES, AS WELL AS OTHERS FROM THE PRIVATE SECTOR, WITH BACKGROUND AND KNOWLEDGE OF RURAL ALASKA.

AS AGREED TO BY THE WHITE HOUSE, THIS GROUP--WITH VERY BROAD-BASED EXPERTISE AND EXPERIENCE IN RURAL ALASKA--WILL ATTEMPT TO IDENTIFY THE MAJOR PROBLEMS OF RURAL ALASKA, AGREE UPON THE BEST SOLUTIONS TO THOSE PROBLEMS, PRIORITIZE THE PROBLEMS AND SOLUTIONS, THEN WORK WITH THE FEDERAL GOVERNMENT TO REDIRECT THE EXISTING STREAMS OF FEDERAL DOLLARS COMING INTO ALASKA, AND THE STATE FUNDS THAT MAY BE

AVAILABLE TO IMPLEMENT THOSE SOLUTIONS. THAT IS A MAJOR REAL OPPORTUNITY.

THE FEDS HAVE EMPHASIZED THAT THERE WILL NOT BE ADDITIONAL FEDERAL DOLLARS; IN FACT, IF PRESIDENT CARTER'S BUDGET CUTS GO THROUGH, THERE WILL BE FEWER FEDERAL DOLLARS. THE OPPORTUNITY IS SIMPLY ONE OF GIVING THE STATE MORE SAY ABOUT HOW THE FEDERAL DOLLARS ARE USED AND, HOPEFULLY, GETTING MORE BANG OUT OF THE FEDERAL BUCK, WHILE SIMULTANEOUSLY DETERMINING THE PRINCIPAL USES OF STATE FUNDS IN RURAL DEVELOPMENT.

WE HAVE BEEN ASSURED THAT FARMERS' HOME ADMINISTRATION 111 PLANNING FUNDS ARE AVAILABLE FOR AT LEAST A PORTION OF THE STAFFING REQUIRED. WE HAVE ALSO BEEN ADVISED THAT EDA 304 FUNDS ARE AVAILABLE FOR THIS PURPOSE.

IN SUMMARY, MR. CHAIRMAN, GOVERNOR HATFIELD HAS BEEN ADDRESSING THIS OPPORTUNITY FOR APPROXIMATELY EIGHT MONTHS. THE TEAM, COMMITTEE, OR COUNCIL THAT IS BEING ASSEMBLED IS BROADLY BASED WITH A VERY WIDE BACKGROUND OF EXPERTISE. A SEARCH IS NOW UNDERWAY FOR AN EXECUTIVE DIRECTOR TO HEAD THIS EFFORT ON A FULL-TIME BASIS. THE OBJECTIVES OF THIS GROUP SEEM IDENTICAL TO THOSE INDICATED IN

HB 932.

IN VIEW OF THE ABOVE, IT WOULD APPEAR THAT PASSAGE OF HOUSE BILL 932 WOULD RESULT IN A RATHER COMPLETE DUPLICATION OF EFFORT.

THANK YOU.

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MEMORANDUM

To: The Honorable Lee McAnerney
Commissioner
Department of Community and Regional Affairs

From: W. I. "Bob" Palmer
Special Projects Coordinator
Office of the Governor

Date: March 7, 1980

Re: White House Rural Initiatives Program

NOTE: HB 932 was introduced Mar. 4

Shows nearly complete ignorance of the situation.

President Carter has recently publicized the concept of the White House Rural Initiatives Program. Governor Hammond has designated the Alaska Agricultural Action Council as the "lead agency" for State participation in this program. The AAAC has carried on discussions with the White House staff for several months on the procedures for implementing this program.

In essence, the State team has the opportunity to take an overall view of Alaska, identify the problems and potentials--of all kinds--facing Alaskans, prioritize the solutions to the problems, and then work with the Federal Government to redirect the streams of Federal monies flowing to Alaska through existing channels to fund those State-established priorities. In other words, if we believe we can get a more effective bang out of the Federal buck, then we have the opportunity to achieve that.

The possible solutions to Alaskan problems to be addressed by the White House Rural Initiatives Program are primarily conceived of as those that can be reached through increased job opportunities. Such jobs may be the result of rather massive industrial development activities, such as the potential bottom-fish industry, or of projects as small as a single-family, commercial truck garden in the Aniak area, producing vegetables for sale on the retail market in Bethel.

The opportunity now before us is a very unusual one -- a very exciting one and one with tremendous potential for achievement. Obviously, if the potential of this opportunity is to be realized, it will require a much broader base of expertise than is possessed by the Agricultural Action Council and a very considerable expenditure of time and effort by the team and its members.

Would you please designate a top-level, energetic, creative-thinking individual from your staff to serve on this team and notify me of your designation by March 21, 1980?

We will also need a great deal of participation from the private sector to round out this team and achieve the broad base of expertise needed.

It is my thinking also at this time that both the opportunity and the workload offer such tremendous potential benefits that we need to hire a top-quality executive director who can devote full time to heading up this effort rather than trying to add an additional load to someone already working full time in other responsibilities.

Any suggestions that you may have for obtaining the greatest benefits possible for Alaskans from this opportunity will be very welcome, now and on a continuing basis.

Thank you.

Alaska State Legislature

House of Representatives

STATE CAPITOL
POUCH V
JUNEAU, ALASKA 99811
465-3818

HOME ADDRESS
RR 4 BOX 4316
JUNEAU, ALASKA 99803
789-9792

REPRESENTATIVE JIM DUNCAN
CHAIRMAN
BUDGET & AUDIT COMMITTEE

MEMBER
FINANCE COMMITTEE

M E M O R A N D U M

TO: Representative Jim Duncan
Chairman, Budget & Audit Committee

FROM: Gordon Stockdale
Economic Development Coordinator

SUBJECT: White House Strategy

DATE: September 14, 1979

Since we assumed the task of overseeing the development and implementation of the Carter administration's new Title VII Private Sector Initiatives Program, we have discovered ourselves in a position of ever greater responsibility for understanding the extremely complex relationship that exists between state and federal agencies that purport to be involved in activities relating to the broad general subject of 'economic development.'

House Speaker Terry Gardiner's mandate to monitor a very distinct change in emphasis to the nationally significant CETA program reflected a deep and, as we have seen, well placed concern that here an opportunity may exist which if left to the diffuse whimsy of precedent and existing vested interests might pass without any benefit to Alaska.

It has become obvious that the proposed reorgnization of CETA, and indeed every agency affected by the President's initiatives holds more interest for Alaska than any of us could have realized at the outset. Carter is facing a tough fight for his party's nomination, and an even harder effort to serve a second term as President. At least at this time, a new and inspiring domestic policy is essential to his administration, he is vulnerable and he needs a model to show the nation.

With Kennedy's official entry in the race for the Presidential nomination, we may reasonably expect Carter to extend his

efforts to enhance his stature as a viable candidate. With SALT II facing an almost certain failure in the Senate, or at the very least, a complete subversion of the President's autonomy in international affairs. In conjunction with the recent Andrew Young dismissal, it would be reasonable to assume that the major effort of the Carter administration will focus on his domestic policy, primarily through the medium of the energetically pursued but foundering White House Initiatives.

We have been fortunate in developing an excellent working relationship with this state's CETA prime sponsor and more recently, with the Governor's office through Bob Palmer, his Special Projects Coordinator. In that we are able to achieve such a high level of concurrence in the scope of the task in Alaskan economic development along with an appropriate structure to represent and pursue Alaska's interests, we are an attractive medium for the Carter administration to apply its resources to. We have simultaneously begun to enjoy a closer relationship with the growing cooperation and coordination of the Native Regional Corporations and their affiliated Title III prime sponsors. The prospect of nurturing a responsible, representative forum of Alaskan economic interests is especially relevant at this time.

GS:jp

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

Honorable Jim Duncan
Chairman, Legislative Budget
and Audit Committee
House of Representatives
State Capitol, Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Thank you for your thoughtful and informative letter of October 15. I am gratified to hear that Mr. Stockdale shares my feelings that our September meeting with him and his staff was indeed productive.

I am very pleased to learn of the beginning progress you are making in developing a structural plan to overcome the most fundamental obstacles to a healthy rural economy in Alaska, and I especially welcome your invitation to us to become involved at this early stage. These developments fit in quite well with our own thinking and plans at this time.

Specifically, as Secretary Bergland has just written to Governor Hammond, I have assigned Craig Bigler of the Farmers Home Administration to work with state and federal representatives in Alaska to assess the current situation and develop recommendations on the issues we can address jointly. Mr. Bigler has arranged to meet with Bob Palmer and with other state officials at Mr. Palmer's discretion in Juneau on November 13, and undoubtedly Gordon Stockdale will be at this meeting. Mr. Bigler will meet with Secretary Bergland's representative, James Fisher, and with other USDA officials in Anchorage on November 14. He will be in Homer on the 15th to consult with state and federal officials attending a Small Farms Committee meeting there.

We are confident that these meetings will provide at least a beginning consensus on issues that can be productively addressed through joint federal-state approaches that meet our mutual objectives of being fully sensitive to Alaska's priorities. Mr. Bigler will prepare a report for me synthesizing the findings and presenting recommendations on approaches that we might pursue. We will of course be in contact with you and other Alaska officials as soon as the report is completed, to obtain review and comments and to plan the next steps.

Your enthusiasm about the joint efforts we are pursuing, your hope that they will result in a model for other states, and your kindness in taking the time to express your commitment to these objectives through your letter are deeply appreciated.

Sincerely,

October 15, 1979

Mr. Alex P. Mercure
Assistant Secretary for Rural Development
U.S. Department of Agriculture
219 N. Agriculture Building
14th Street & Independence Ave. S.W.
Washington, D.C. 20250

Dear Mr. Mercure:

Please accept my sincere appreciation for the time you afforded my staff in Washington in September.

Mr. Gordon Stockdale reported an excellent meeting with you that achieved a considerable understanding of the magnitude of Alaska's economic development potential and the opportunities associated with it.

As Gordon explained to you, we in the legislature and members of Governor Hammond's administration are working toward a rural development strategy that will achieve a very broad consensus of appeal in Alaska. The resulting strategy will lend itself readily to a cooperative partnership with President Carter's White House Initiatives in Rural/Urban Development, Employment, Energy, Communications and Transportation to name only the most obvious relationships.

The Alaska Rural Development strategy is in its formative stage at this time. Members of the Alaska Legislature's House of Representatives and Senate, and the Office of the Governor are cooperatively developing a structural plan to overcome our most fundamental obstacles to a healthy rural economy. We regard this task basic to the development of a healthy statewide economy since a strong rural sector naturally supports the economies of the urban service centers.

We encourage and solicit the involvement of the Department of Agriculture in this early stage of development of what we hope will serve as a realistic model for other states and emerging economies to apply to their own situations.

Sincerely,

Representative Jim Duncan
Chairman, Legislative Budget
and Audit Committee

JD:jp

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

Most IMPORTANT!!

January 21, 1980

SUBJECT: Special Assignment on Alaska

TO: Alex P. Mercure
Assistant Secretary
for Rural Development

I met first with the staff director of the Seattle FRC in Seattle. In Juneau, I met with both administrative and legislative staff as arranged by Governor Hammond's assistant, Bob Palmer. I spent considerable time with Secretary's Representative Fisher, FmHA State Director Roderick, Alaska Federation of Natives President Morrie Thompson (former head of BIA), the small farms and conservation districts committees, and many other citizens, legislators, and natives. Opinions expressed to me were amazingly consistent on the following issues:

- Political labels are quite unimportant. Support for an organized approach to rural development has bipartisan support in the legislature and between the legislature and the governor. There seems to be wide support for Lt. Governor Terry Miller as the next governor.

- Development needs are well defined and understood as you heard when you were there last June.

- The State has incredible developmental resources at its disposal through the oil revenues--yet there is universal concern that only the other guy's needs will be met and not everyone's, and that the revenues will be used to meet short-run exigencies rather than to build a viable economy that can sustain itself after the oil revenues cease.

- The State must develop a self-sustaining economy--and, in particular, a viable agriculture economy--in order to avoid continuous boom and bust cycles.

- The main problems are seen as the inflexibility of federal programs, in program managers who cannot respond to the unique needs and opportunities of the State, and the lack of coordination among federal programs and the management of them.

A less widely recognized problem soon became clear: the main problem is not the lack of federal flexibility as much as it is a lack of political consensus in the State. As the President's Policy on Small Community and Rural Development emphasizes, rural development programs of all levels of government come together at the State, not the national level. Effective coordination of policy and activities must, therefore, be under strong leadership within states. Alaska has the resources but has not had the political will to forge a consensus on the use of the resources. Until a consensus is developed, assumption of leadership for rural development involves great risk.

Evidence of the lack of consensus is in the myriads of task forces, committees, subcommittees, conferences, hearings, and on and on that exist in the state to bring the right people together and to coordinate their efforts--and to avoid having to make the hard choices. The numbers of them and the frequency of their meetings is mind-boggling in a state with less than half a million population spread over such great area. The problems and opportunities have been studied, debated, discussed, and reported on almost beyond comprehension. Yet, there exists nothing to bring them together into a coherent whole. Recommendations abound, but no one has yet been able to devise the tradeoffs necessary to subordinate goals and priorities.

Recently, however, several things have fallen into place:

- o Governor Hammond has asked Secretary Bergland to work with him to create a state/federal partnership for rural development.

- o The staff of Representative Jim Duncan, Chairman of the House Budget and Audit Committee, has just about completed a study and recommendations of desirable relationships for coordinated development among state agencies, and a framework to work out others.

- o The President's policy provides the vehicle necessary to get federal agencies organized and working with each other and with state and local officials at the federal and the state levels.

With the exception of one issue, the Alaska Railroad (discussed below), the federal government should not attempt to assume the state's burden by setting up a study or a series of task-oriented task forces. The problems have been studied to death. What is needed is full federal support for the state's assumption of the role of convening the important actors to begin to set priorities. Once the priorities have been set, the federal government, with the state, can pursue activities--or further studies if necessary--to meet the priorities.

If the Governor is willing to designate a Rural Development Council in accord with the President's invitation, and if he is willing to put it under the leadership of someone with recognized status (the Lt. Governor, for example), federal agencies will be willing to participate as per their orders from the Working Group on Small Community and Rural Development. Thus, the structure for state policy-setting plus intergovernmental coordination of policy and implementing actions would be in place.

Life could be breathed into such a structure, and political consensus boosted, by a highly visible state/federal memorandum of agreement to make it all work. USDA, through the Seattle FRC Rural Development Task Force, should take the lead role in preparing and implementing the agreement. (The study being prepared for Representative Duncan's Committee recommends that USDA (FmHA) take the lead among federal agencies. Both the Department and Secretary Bergland are popular in Alaska.) A highly visible agreement and effort to develop a joint investment strategy are very important because of the huge federal presence in Alaska and the universal distrust of the dominant federal partner--the Department of the Interior.

An agreement could specify the course to be followed to reach initial consensus on overall goals and priorities. So that all federal agencies would have reason to actively participate, the agreement could even specify task forces and lead agency responsibility to perform the background work necessary to set priorities. The agreement could provide funding for staff to the Governor's Council: EDA 304 funds could be used as well as FmHA 111 funds. Other agencies, especially Interior, could be encouraged to contribute.

It would take some very high quality staff work to help forge the consensus and leadership that are necessary. Someone will have to be brought into the state at a high salary. This and the high travel costs will make the staff support quite expensive.

RECOMMENDATIONS:

- The Board of Directors of the Council of State Community Affairs Agencies (COSCAA) is meeting in Juneau early in July. This will get some very high-powered state officials into Alaska, e.g., Hank Huckaby, Community Affairs Commissioner in Georgia; and Paula Herzmark, Executive Director of the Department of Local Affairs in Colorado. If we will cover their additional per diem and travel expenses, they will conduct training seminars and dialogues with appropriate state and local officials.

- I understand that Jack Watson and Berry Crawford will be going to Alaska after they attend the USDA Workshop to be held in Spokane, March 17-20. Jack Watson could announce that he and you have directed the newly formed Region X FRC Rural Development Task Force to begin at once to negotiate a memorandum of agreement for a state/federal rural development partnership.

- As a broader than FmHA/State agreement, it could be signed by Jack Watson and you or, perhaps, by the Secretary. A special show of concern and commitment by the Secretary could go far to smooth over the ill feelings for the President that derive from the popular animosity toward Interior and the land settlement issue.

- If the ceremony took place while the COSCAA group was there, the agreement could be credited for the assistance they would be there to provide--and it would impress them too.

- As you know, the Alaska Railroad is crucial to the development of large-scale agriculture in the Delta area near Fairbanks. There is a lot of controversy over freight rates--the RR wants to charge the barley project full costs for returning the empty train, making the price of the barley noncompetitive. I recommend that a task force to address this issue be set up soon. Berry Crawford has a special interest in it. With your direction, I could work with him and Bob Palmer to get something going right away.

NOTES:

- The Alaska natives control most of the state's developable private land and venture capital. State officials and the public recognize this and seem to be very eager and quite willing to give the natives a prominant role in the state's development.

- On the other hand, at a legislative hearing on discrimination, I heard a lot of testimony that the pipeline and drilling companies discriminate against minorities and women.

- The development of a bottom fishing industry is of special concern to the White House. EDA has funded an infrastructure development planning project to develop a plan that could coordinate and guide investments of public funds by federal agencies, the state, municipal governments, and port districts in support of fisheries development and related community growth. No doubt, a lot can be learned from this project on how to go about creating a joint investment strategy in Alaska.

- A study to inventory all of the task forces, committees, etc., involving federal agencies is underway under the aegis of the Seattle FRC.

CRAIG BIGLER

12/7

Bob Palmer
Juneau Alaska

Telephoned twice

3:30 PM - Talked to Fran. She believes there will be no conflict with the two projects she is doing. They have nothing to do with our work.

5:30 PM - Just read Fran's letter to the White House & understand your concern. Have confirmed with Rumsard that there is no change in my (Palmer's) status. The Ag Council is still the lead agency

Q

Messages received at Bellview Hotel, Washington D.C. per my confusion over who was speaking for the Administration,

Contents and excerpts from the

Fifth Report of The Secretary of Agriculture to The Congress

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Rural Development Goals

Initiatives discussed in the report are in support of the five national rural development goals articulated by the Secretary of Agriculture early in the Administration:

1. Improve rural income levels and increase rural employment opportunities.
2. Improve the access of rural residents to adequate housing and essential community facilities and services.
3. Provide a more equitable distribution of opportunities through targeting efforts on distressed areas, communities, and people.
4. Create and implement a process for involving the private sector and local, State, and Federal agencies in establishing policies and programs that affect rural areas.
5. Strengthen the planning, management, and decisionmaking capacity of public and private institutions concerned with economic opportunity and quality of life in rural America.

This is Bob Palmer's Original assignment

July 16, 1979

The Honorable Bob Bergland
Secretary of Agriculture
U.S. Department of Agriculture
Washington, D.C. 20250

Re: Invitation to U.S. Department of Agriculture to join with Alaska to cooperatively establish joint priorities for rural development

Dear Mr. Secretary:

As a result of my meeting with Assistant Secretary Alex Mercure, I would like to invite you to meet with me at a time to be mutually determined so that the State of Alaska could jointly establish with the U.S. Department of Agriculture the federal-state rural development priorities for Alaska.

Mr. Mercure was most emphatic that the State initiatives are the approaches that would be considered at the top of the agenda of such a joint and cooperative effort. It is our understanding that your department has attempted a comparable effort with Puerto Rico. We in Alaska also have situations which differ substantially from national norms complicated by an area larger than the states of Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, Kentucky, Colorado, Connecticut, Delaware, Hawaii, Maryland, Massachusetts, New Hampshire, New Jersey and Rhode Island combined, and by extreme isolation of many of our rural communities.

Recently the Alaska Legislature has established an Agricultural Action Council. It appears that this group would be a logical one to meet with your designated working group for this study. The Council is composed of both executive branch and public members.

I would suggest as subjects for preliminary planning of such a meeting the following challenging areas:

1. Review of USDA agencies' structures, alignment, coordination and organization to address Alaska's unique opportunities. Adjustment of national policies to better meet diversified Alaska conditions.

2. Accelerated inventory and evaluation of the State's renewable resources.

3. Development of renewable resources through assistance to rural communities such as Native village corporations and regional corporations for:

   a. self-sufficiency in food, energy and shelter

   b. revenue base for profit-making arms of Native corporations

4. Rural transportation initiatives to facilitate rural development.

5. Development of agricultural resources in:

   a. forestry
   b. commercial agriculture
   c. red meat - reindeer and standard domestic livestock
   d. marketing and processing of agriculture resources

6. Research needs unique to Alaska's conditions. This would include energy conservation and utilization of waste heat from Alaska's pipelines.

7. Establish coordination mechanism with like circumpolar nations and Alaska, including exchange of personnel, production techniques and research/data.

8. Technical assistance to build (both farming and ranching) management expertise relating to development of expanding commercial agricultural base, various unit sizes and entry of individuals into the industry with limited and diverse backgrounds.

9. Establish USDA/State coordinating mechanisms at both state and national levels to address priority issues of Alaskan region.

I especially appreciate the fact that federal-state governments cannot and should not do everything for everyone. A study of this type must be able to concentrate upon those activities which would bring the most benefit at the least public expense and adequately meet Alaska's priority needs.

Although a venture of this sort may, perhaps, have some hazards, it

presents almost unlimited opportunities and I feel extremely enthusiastic about the potential of this type of initiative.

Sincerely,

Jay S. Hammond
Governor

cc. James Fisher

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER Fm. 100 Assembly

DEPARTMENT Senate C & R A Committee

ATTENTION Senator Sturgulewski, Chairman

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER _____

DEPARTMENT _____

BY Rep. Duncan DATE _____

02-002 (REV. 10/73)

Alaska State Legislature

House of Representatives

State Capitol
Pouch V
Juneau, Alaska 99811
465-3818

REPRESENTATIVE
JIM DUNCAN
CHAIRMAN
Budget & Audit Committee

MEMBER
Finance Committee

Home Address
P.O. Box 690
Juneau, Alaska 99802

MEMORANDUM

TO: Community & Regional Affairs Committee Members

FROM: Rep. Jim Duncan

DATE: March 24, 1980

SUBJECT: House Bill 932

On Wednesday, March 19, House Bill 932 was first heard by a Joint Session of the Community and Regional Affairs Committee. At that time, some concern was expressed over the advisability of adopting an advocacy position toward rural communities and villages as we propose in House Bill 932.

Please let me assure you that there is nothing in the intent of this legislation that supposes the State must accept extraordinary social responsibility for those communities with little or no resources to develop a local economic base. In fact, our current situation of CETA maintenance of otherwise nonexistent cash economies in the absence of State policy has done more to mandate State responsibilities by default than a well-addressed development policy ever could.

In this bill I hope we begin to address some of the problems of inadequate rural access to State infrastructure, uncoordinated agency practices, lack of Private Sector considerations in State policies, and this State's marginal ability to affect Federal-Alaska economic policies and agency practices. The formation of a council in the Governor's office that will begin to do something rather than create another level of study and advisement requires a special commitment on our part and a special structure to do the job.

In many ways, the high cost of government in Alaska is directly related to the same causes of exceptionally high

risk and the high cost of private capital investments in rural development. These problems can be simultaneously addressed. The government role of defining the limit and degree of development Alaska can tolerate requires a counterpoint that seeks to facilitate development within those imposed limits, to the mutual benefit of both the public interest and the objectives of private enterprise.

These roles, though complimentary, can come into conflict if they are vested in the same structure particularly when private industry seeks a fair hearing of its problems and objectives at the same door they were issued their limitations. Similarly, no appointed public official has quite the objective credibility that an elected officer does to reach across broad agency, state-federal, and private industry boundaries to elicit cooperation.

Please examine the enclosed material which further explains the rationale behind HB 932. I welcome your suggestions for improvements to this bill.

JD:jp
Encls.

Representative Dale Locker (Ohio)

Washington Report

A new approach to federal policy on rural development

Rural America—its "changing face," its special needs, and the coordination of the hundreds of federal programs that affect its human and natural resources—was the focus of attention in late December as President Carter announced his Small Community and Rural Development Policy.

The policy, as outlined before a gathering of hundreds of state and local officials and representatives of community-based organizations and the small town business and financial community, combines a set of principles to guide the administration of federal programs, a series of organizational and procedural changes to develop the institutional capacity at the federal and state level to deal with rural issues on a continuing basis, and an "action agenda" of over 100 initiatives to help meet pressing rural needs.

In noting the changes in many rural areas—growth in population, expansion in rural employment, diversification of rural economies—the President argued the need for "a forward-looking policy . . . to manage the effects of such change—to enable individuals and communities to solve their problems and to capitalize on their opportunities."

And yet, he continued, "rural people and communities have proportionately greater unmet basic human needs than do other parts of the nation." Almost 40 percent of the nation's poor live in rural areas. Rural areas have 58 percent fewer physicians, 38 percent fewer dentists and 29 percent fewer nurses, on a per capita basis, and yet a higher incidence of chronic disease exists and more workdays are lost due to illness in the rural sector than in urban areas. While 57 percent of the rural poor and 45 percent of the rural elderly do not own an automobile, public transportation carries less than 1 percent of rural residents who work away from home.

To meet these needs and manage the effects of change in rural areas, the President directed his top administrators to manage their programs so as to recognize local priorities and facilitate decision-making, to invest federal funds in ways that complement state-local plans and priorities, to use federal assistance to help leverage private sector investments, to target federal funds to disadvantaged persons and distressed commmunities in rural areas, to provide local citizens and their leaders with assistance for more effective decision-making and development efforts, and to make federal programs more accessible to rural jurisdictions and better adapted to rural circumstances and needs.

The capacity to implement the policy's principles and initiatives was enhanced by a request to Congress for creation of an Undersecretary of Agriculture for Small Community and Rural Development, who will aid the Secretary in carrying out his responsibilities under the Rural Development Act of 1972, and who will co-chair, along with the President's Assistant for Intergovernmental Affairs, a revitalized Working Group on Small Community and Rural Development.

The Working Group will include top officials from the Office of Management and Budget, the Domestic Policy Staff, the departments of Education, Energy, Transportation, Housing and Urban Development Agriculture, Treasury, Interior, Health and Human Services, Labor, and Commerce, as well as the Environmental Protection Agency, ACTION, the Community Services Administration, the Small Business Administration, and the General Services Administration.

The President also directed the Secretary of Agriculture to appoint an Advisory Council to monitor policy implementation and to advise the Secretary and the Working Group, including participation in an annual review of rural policies, programs and budget levels. Members of the Council will include state and local elected officials, representatives of community-based organizations and other private interest groups, and representatives of the business and financial community.

A second level of advisory bodies would be created with the positive response of governors to the President's invitation to establish State Rural Development Councils. Federal Regional Councils will be directed to set up rural development task forces to assist state implementation efforts, and agency heads will direct their field personnel to participate on the state councils as requested by the governors.

The Secretaries of Housing and Urban Development, Health and Human Services, Education, Commerce, Energy, Labor, Transportation, and Interior, and the Administrators of the Environmental Protection Agency, the Community Services Administration, and the Small Business Administration were also directed to review existing policies and programs in relation to the policy principles, and to designate a senior official to be responsible for monitoring implementation of the policy and to serve as a rural advocate within the agency.

On the Agenda

The "action agenda" announced by the President comprises key actions already taken by the Administration and a series of new proposals which will require executive and/or congressional response to implement. The series of White House Rural Initiatives announced over the past 15 months in the areas of health, sewer and water, rural elderly housing, communications, energy, transportion, and public works forms the core of ongoing agenda items. These actions and new proposals that should be of interest to state legislators include:

Housing—

- extend current four-year, four-state demonstration in state delivery of federal housing and community assistance to other rural distressed communities in those states;
- fully implement initiative on congregate elderly

housing, with social services provided on site ($12.5 million, 10-site demonstration); and
- develop standardized loan application and appraisal forms for HUD, FHA, FmHA, and VA.

Energy—
- implement initiatives to promote small-scale hydroelectric, community-based unconventional gas and small-scale fuel alcohol development;
- support legislation providing $750 million in grants and $1.5 billion in loan guarantees over five years to assist states in meeeting the needs of areas experiencing rapid energy resource development ("boom towns");
- support loans financed from windfall profits tax revenue for construction of small-scale alcohol fuel plants; and
- extend the 4 cents per gallon tax exemption on the sale of gasahol.

Health—
- continue implementation of four-year initiative to construct or rehabilitate 300 primary care clinics and to train and employ rural residents as support staff;
- promote full implementation by HFW of the Rural Health Clinic Services Act;
- place top legislative priority on Child Health Care Program and other preventive care programming for children;
- promote legislation permitting "swing beds" to simplify Medicare and Medicaid reimbursement in rural hospitals; and
- provide incentives to states and local communities to increase access to alcohol and drug abuse programs in rural areas.

Capacity building—
- develop a national program to support locally selected circuit-riding managers to assist rural towns and counties;
- continue to fund FmHA Section III rural planning programs;
- provide technical assistance to rural officials on the use of 1980 census data and improve access to detailed data at the small town level;
- negotiate a single set of application, auditing, and reporting requirements for clusters of federal aid programs; simplify and standardize compliance requirements with cross-cutting federal laws and executive orders.

Transportation—
- continue implementation of the components of the June 1979 initiative, including assistance to commuter airlines and small town airports, rehabilitation of railroad branchliners, promotion of rural ridesharing, and coordination and delivery of social service and public transit;
- propose amendments to provide $100 million per year from 1981-85 for small airport development; and
- support adequate funding of Section 18 (Nonurbanized Public Transportation Program) of Surface Transportation Act of 1978.

Other items of interest include:
- funding the planning and construction of alternative wastewater systems;
- supporting special emphasis on program needs of rural areas in reauthorizing legislation for vocational education;
- requiring state governments to provide adequate access to welfare programs and the Food Stamp program in sparsely populated areas;
- emphasizing rural downtown revitalization through policy to facilitate transfer and lease of federal property, and convening of a national conference on redevelopment of mainstreet;
- fully implementing the Environmental Protection Agency's policy on agricultural land protection;
- adopting as a national goal the elimination of unsafe drinking water during the 1980's;
- fully implementing the Rural Clean Water Program in FY 1980; and
- completing the joint CEQ-USDA study of the effects of conversion of prime agricultural land to other uses and of measures to control such conversion.

The Working Group began its formal deliberations in late January, at which time the process for the appointment of the Advisory Council was initiated. The White House has been in contact with each governor to encourage the designation of a state rural development council. And during the coming weeks, a series of conferences for state and local officials and others interested in rural affairs will be held throughout the country to assist in publicizing and implementing the small community and rural development policy.

Rep. Dale Locker is Chairman of NCSL's Rural Development Committee.

A STATE "ADVOCACY STRUCTURE:"

--FOR ALASKA RURAL ECONOMIC DEVELOPMENT

January, 1980

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This report suggests several alternative policy structures for guiding a special process of encouraging private economic development in rural Alaska, and for giving that process a "sustainable" emphasis over an extended period of time.

The suggested structures ARE NOT solutions in themselves, but merely represent functional vehicles that can help develop and sustain effort to create a private economic base in rural Alaska.

The proposals inherent in this report are based on the serious conditions of the economy of much of rural Alaska. Additionally, they make a case as to why the "present" might provide special conditions, resources, and a timeliness in attacking such difficult conditions.

PURPOSE IN THE BROADEST SENSE

In the broadest sense, the purpose of a special structure is to marshall, coordinate, and sustain existing and potential federal, state, and private resources capable of contributing to growth of a private economic base for the rural communities and regions of the state.

Further, the structure should provide a single focal point for involving rural Alaska people in the process. Such a structure would be a first attempt at building a state-relationship with Alaska rural development's mosy unique partner --the native land claims corporations.

The private land, capital, and social base of the rural village corporation represents a grassroots structural resource in itself. The availability of such a field level structure in a depressed region is a most favorable circumstance of infrastructure in such general conditions of third-world economic void. However, the state has essentially ignored the existance of the corporations and any inherent state interest in their success or failure.

Any structure must also address "community development" issues basic to a private economic base. However, care must be taken that community development does not dominate the structure, or tend to divert energy from more difficult to resolve economic tasks.

The most important purpose of a special structure must be a strong "missionery dedication" to creation of private economy in rural regions.

THE SPECIAL "PRIVATE" CHARACTER

Two basic features of the mission of rural development in Alaska appear to justify a special structure og government, whether that structure is temporary or permanent.

First, the charge to generate a "private economic base" is not a familiar role of government. Second, responsibilities of such a policy effort tend to overlap the established categories of government programs.

THE NEED FOR SPECIAL EMPHASIS

Special emphasis to a problem outside the bounds of traditional government services is difficult to achieve for line-agencies. A mission may be so critical, and so varied, that indeed it MUST OPERATE BEYOND THE BOUNDARIES OF TRADITIONAL SERVICE AGENCIES. But architects of such things "beyond" the bounds of those service agencies, often fashioned as so-called "coordinators," must concede that more often than not, such creations become quickly isolated and powerless to carry out their tasks within government.

A purported "special structure" cannot hope to invade the "turf" of entrenched agencies, unless first the legislature is thoroughly convinced of the depth of the target problem, and secondly unless the state executive is equally convinced.

In order to avoid the inevitable muted-isolation of such a special structure, the construction of the unit must build-in strong political backing and involvement. Such backing is essential precisely because such a structure is being asked to INTERFERE WITH THE ESTABLISHED ROUTINES OF OLD LINE AGENCIES, or is being asked to "reach" where they cannot reach.

Confronted by an "outside structure" charged with coordination, or the like, an established line-agency will generally take the easiest path. Generally that easiest path is to resist outside interference. Only if there is a very strong commitment in high level policy ranks, or after an agency gets its fingers slapped, will traditional agencies opt to "cooperate," since that then becomes their "easiest path." In other words, in constructing a special structure policymakers must analyze how to give a separate structure special "clout."

A special structure, in commission or agency form, and whether permanent or temporary, cannot be justified unless lawmakers are convinced of the following:

(1) . . . that the economic problem in rural Alaska is catastrophic in scope, or lacking that extreme;

(2) . . . that the mission does not fit traditional program agencies, or spreads beyond the bounds of a number of agencies;

(3) . . . that the problems require a special emphasis, or perhaps are problems easy to slide off for "future action," therefore tending to submerge the mission under the day-to-day crisis of a department.

(4) . . . that the problems are so serious and complex that a line agency lacks the "clout" to deal with the issue, or to initiate action and propose solution without special political backing.

(5) . . . that the mission is genuinely not to "run program," but rather to coordinate and provide muscle for other existing state programs and resources, and to provide the same between government and other institutions (federal, state, local government, non-profit, private).

Additionally, inherent in many of the foregoing criteria is that a special rural development structure should be cast in the role of "advocate." The role of advocate could pose inherent conflicts within some departments, and in the case of a planning agency may compromise that agency by presupposing the outcome of careful planning work. The role of the planning agency may require a very close partnership with the advocate agency, but the planning agency may be something of an alter-ego partner, being required to occassionaly criticize and oppose the more active advocacy of its alter-ego partner.

THE MEASURE OF THE ALASKA "RURAL ISSUE"

The measure of the problem of "rural economy" in Alaska measures very high against most of the previous criteria. Individuals may differ in assessment of degree of the problem, or in the nature of solution, but few are likely to disagree that the condition of the state's rural community economy is indeed catastrophic and has been for more than three decades.

From another view, economic events of the past several decades in Alaska have wrought tremendous growth and changes in urban Alaska. But the economic gap, as well as the sense of alienation between urban and rural Alaska, has widened. This division also tends to follow unfortunate racial lines among Alaskans.

The economic contrasts of rural and urban Alaska presents a picture of prosperous urban islands floating in a sea of rural economic depression.

Whatever the cause or whomever, if anyone, is to blame, the economic condition of much of rural Alaska is undisputably a human tragedy and an embarassment to our democratic economic systems.

SPECIAL OPPORTUNITIES OF THE PRESENT

It is difficult for our system of government to reach into the private economic sector and participate in constructing economic equity. The independence and separate dynamics of our government systems and our private economic systems do not always relate to each other. However, in critical times our systems, while perhaps slow to respond, have generally proven able to rectify glaring inequities.

Looking for the means to build a public/private relationship, a case can be made that unused federal resources are available. Additionally, it appears that federal economic policy is shifting to emphasize priority policy: . . . that only "private jobs" can resolve severe economic problems in the long run.

Present federal policy is shifting resources to rural and development initiatives that stress private development and private employment. These so-called "White House Initiatives" hold out great opportunity to those who are ready for them, for those who can put them together with other available resources, and for those like Alaska, that have a genuine underdeveloped rural base that is starved for "risk capital."

CURRENT ACTION

Recognizing the federal opportunity, the Alaska Legislative Budget and Audit Committee, together with the State Administration, has been working to put together a series of federal/state agreements designed to coordinate federal economic resources through a single federal lead agency, and to put that agency together with a state working counterpart.

The effort would be to coordinate federal resources of value in a rural economic initiative, to maximize those resources, and to clear federal/state barriers to development (regulatory, etc.) on a timely basis.

The state working counterpart would be WHATEVER SPECIAL STRUCTURE THE LEGISLATURE AND EXECUTIVE chooses to approve (which is the primary subject of this report).

PRIVATE RESOURCES

A case can be made also that private resources are now available for rural development that were not present in the past.

The native corporate structure has matured and gained experience in the last eight years. The capital assets of the native corporations, and especially the village corporations represent a "resource" that should be assisted by state and federal development policy.

However, the capital of native corporations in many respects is no different than any other capital. Despite the fact such capital has a social base in the form of resident community stockholders, such capital must still find and/or develop viable projects which offer both reasonable security of the investment and adequate return. It must be stressed that under the law, the native corporations ARE NOT social welfare organizations, but are established as profit making private corporations. They have the same problems in facing high risk frontier development as other corporations, except that their personal motivation to "do it" in the face of higher risk is likely stronger. However, it is possible that the proper use of state and federal resources, in conjunction with native corporate resources, might be able to reduce risk to native capital and encourage the flow of such assets into rural development.

The current proposal to pre-pay the remainder of the state's obligation under land claims settlement will also add significantly to the financial base of native corporation capital. Such an action may be the single largest, and the simplest action, the state can take in regard to rural development.

The private land and resource base that is a part of the land claims structure is also a significant factor in rural development. The goal of a state structure should be to help assist and direct capital to grassroots rural development, regardless of whether that capital is private, state, federal, or native, and to encourage the use of state, federal, and native land and resources in a coordinated fashion in behalf of encouraging a rural private economic base.

Additionally, Alaska financial institutions are now considerably stronger and more varied than a decade ago. They have stronger ties to outside institutions, and due to such world scale developments as Prudhoe Bay, new significance of fisheries resources, a capital and resource base from land claims, Alaska commands a respect far beyond the measure of its present economic production.

STATE RESOURCES

The chief asset of the state is its "position" to act as a focal point in bringing together available existing resources, and to apply to an effort to construct a viable rural private economy.

The state must be, and is the natural initiator of a search for, and a marshalling of, economic resources. Obviously, federal agencies do not come seeking difficult and often risky development efforts.

The state also has basic resources of its own to offer that it did not have a decade ago. The state has the ability to act as initiator of community services related to private development, such as utilities, transportation facilities, and technical assistance. The state has the ability to participate in capital, or to attack basic private financing issues such as fire insurance in rural areas. The state has a "field network" available through program agencies, which with proper coordination, could assist in both local community development and private projects.

The state also offers a superior basic structure with which to coordinate with federal institutional participants. The Alaska structure has a strong central line of authority leading from the governor, and is vastly different than the fractured multi-elective structure that exists in many other states.

THE ALASKA DIFFERENCE: LENGTH AND DEPTH OF COMMITMENT

Alaska requires a long-term commitment to rural economic problems. The state's rural problems are not a result of recent economic recession, or existing sick industries, the problems are a result of more than a quarter century of economic collapse and difficult cultural adjustments. The Alaska effort may require the better part of a decade..

It is here --in length and depth of commitment-- where Alaska differs markedly from the manner in which other state's will approach the development of SPECIAL FEDERAL AGREEMENTS to enhance private economic development. A review of the few existing agreements, and potential agreements, indicates that the agreements appear geared towards one or two "priorities-of-the-day." They seem to carry a hidden presumption of temporariness about them, and lack a strong tie to "joint" executive/legislative commitment and development of intrastate mechanism to focus on more than the "issues-of-the-day." In this respect it is likely the initial motivation of Alaska is different from other states.

In reviewing the federal opportunity for both the state to command and coordinate federal resources, there appears to be a significant opportunity for Alaska to be the only, or at minimum one of the few, states to approach the agreements with a much longer range view in mind.

Alaska has the opportunity to get the federal government committed to state rural development, committed to special treatment and coordination, and to keep that commitment going for a prolonged period. However, in order to command the long-term commitment of the federal government the state must first itself be committed.

As previously stated, economic initiatives under our separate public and private policy systems require a deep commitment to bridge the gap. In Alaska this means a commitment of the executive and the legislature, and further a broadbased commitment within the legislative body. Oddly, the effort must command the commitment of the urban legislator and the perception that the effort is also vital to the urban economies of the state.

Commitment of rural policymakers to such an effort is something to be taken for granted, with some exceptions. However, rural backing and rural development as a "rural issue, can isolate the effort as a regional issue, and one therefore elgible to be pushed, shoved, cut, threatened, bargained, and generally politically played-out in the precarious wars of short-term legislative policy. Unfortunately, long term issues requiring a breadth and depth of commitment, issues needing an expectation of sustainability over time, do not always fare well in the battles of more immediate political pie-cutting.

However, the commitment of urban legislators could provide the commitment to rural development the sustainability it needs. Urban lawmakers have an interest of their own in an expanding and healthy rural economy.

Previously Alaska was described as a series of urban economic islands floating in a sea of economic depression. Whether that picture is overstated can be argued, but the lesson of the protrayal cuts both ways. The picture not only reflects a non-existant rural economy, and all which that infers, but equally a precariously isolated urban economic structure.

The picture is one of precariously narrow urban economies based primarily on government spending, cycles of construction and singular resource development booms, and one of urban communities failing to develop themselves as broad commercial centers serving a growing economy far beyond their own borders.

In other words, for the state's narrow based and isolated urban economies, rural development is "urban development." It is not only urban development, but offers a strongly stabilizing ingredient for the urban economic structure. It is almost impossible to undertake development in most rural areas of the state that does not benefit the urban commercial centers. However, the converse is not true, since urban development may hold no benefits for rural communities.

Urban policymakers may also consider the long-range ramifications of continued neglect of a rural economy:

(1) . . . that the urban/rural economic contrast is both a serious ethical and functional problem for Alaska.

(2) . . . that the end-results of continued rural economic poverty tend to become urban social and economic problems due to out-migration into urban areas.

(3) . . . that in future general economic constrictions, urban unemployed will tend to outmigrate from the state, but that the rural unemployed, represented mostly by native Alaskans, are unlikely to outmigrate except to urban areas due to deep cultutal ties.

(4) . . . that while Alaskan urban economies have grown dramatically over the past several decades, those economies remain narrow.

(5) . . . that in order to develop a stable commercial center, the center must have an economy to serve "elsewhere."

(6) . . . that rural development promotes both direct, and indirect economic activity for urban centers.

(7) . . . . that rural development expands opportunity for larger scale rural resource development, since expanding economic benefits will increase confidence of both urban and rural parties that that such "development" can be managed for mutual benefit.

There must also be an awareness that rural Alaska needs a scale of development we might term "micro development." However, urban inrerests tend to key on "m.rco-development" scale projects, projects on a scale where it is often simply asssumed that there is enough "economic fall-out" to benefit everyone. However, this is not necessarily true, and especially so for non-urban areas.

Carefully managed "marco-scale" development may be made to pay some dividends to rural Alaska. But what rural Alaska does need is micro-development, development that is small, not nearly so exciting and romatic to advocate for policymakers, but which fits the needs and the life-style of rural communities. In a sense, a structure charged with rural economic advocacy will need to learn to "think small," and it will take some adapting on the part of policymakers to think in terms of thousands of dollars, tens of jobs, and etc., instead of on sweeping scales of billions of dollars, world scale resources, and thousands of jobs.

THE POSSIBLE ALASKA STRUCTURES

The purpose of creating a structure is to provide a functional vehicle for policy focus, and to put the label "special" on the structure. Such labeling tends to put the structure, and the policy community, "on notice" that they intend to do something, and to invite scrutiny if they show a lack of performance. A special structure also tends to isolate itself sufficiently to invite participation of interested parties.

Three types of structures appear possible:

(1) A SPECIAL COMMISSION, responsible to the Governor, and working out of the Office of the Governor.

(2) AN OFFICE created within the Office of the Governor. A small agency essentially part of the executive staff.

(3) Assignment to an existing agency with related interests, either creating a new unit thereto, or reorganizing an existing unit.

The basic alternative "settings" for a structure will be discussed in terms of the least viable first.

Assignment to Existing Department

The assignment of the task of rural development advocacy and coordination to an existing department immediately relegates the issue to whatever is the status of that agency.

If the agency is a sub-unit of an existing division, of an existing department, then it is likely the federal government would view the state effort in much the same manner of other states --that the structure has one of two priorities and little other interest.

It is not the intent here to be critical of the ability of any one of several possible agency operators, but rather to suggest that it is asking alot of a sub-component agency to be able to become not only an interagency coordinator among state agencies, but also between state and federal governments and between government and the private sector.

As a sub-component within a line-department, a rural economic development initiative would first have to command its fair share of attention by department heads from among the "daily crisis" of regular operating programs.

Next, since such a rural effort would reach beyond departmental confines, not only would the rural effort have to battle for survival among competing demands within the department, but also it would have to survive among competing demands outside the department. Such a program would constantly require the department chief officer to run interference in coordinating problems with other departments, as well as with key players in the governor's office and with other institutions. The sub-departmental assignment can be made to look good on an organizational chart, but likely asks a line-agency chief, already besieged with enough operational problems, to unrealistically wear thin their welcome in "unhappy" interdepartmental "turf" battles, much less to provide the "extra-energy" to provide leadership to draw together federal, state, and private interests.

The fact remains, that programs are just that, they are designed to deliver an established service in a beneficial manner and with a mimimum of bureaucratic boat-rocking both "within and "without" the departmental organization. A department may well prove the exception, especially if it is new and must find its policy niche, when there is exceptional political backing, or when there is unusual leadership.

However, in viewing something as complex as a rural development effort involving multiple departments, governments, and other institutions, the process appears to supercede the primary "operations" role of a state line-department.

The structure must be capable of:

--FIRST, capable of refining its charge to projects which can be accomplished. The structure must participate in selecting rural priority efforts.

--SECOND, it must determine who, if anyone, is presently charged with a needed function, must encourage rural responsibilities be assigned departments, and give backing to departments in carrying out their rural functions.

--THIRD the rural structure must be capable of some leeway in independent articulation. It cannot be just the state administration's spokesmen, since one of its purposes will be to inject "unfinished ideas" into the"

--executive policy forum
--legislative policy forum
--private policy forum
--and the public forum

--FOURTH, the rural structure must plow new ground in that it should not be a GOVERNMENT PROGRAM, but must be a facilitator of private effort. It must strike a respectful partnership with the "private policy" sector.

--FIFTH, the structure must be cast in a role of "advocate" for rural initiative --for rural action.

Last, there is always the very real problem of the tendencies in an operational department to convert potential of a popular effort into gain for its own agency budget needs.

If a departmental placement for structure is to be considered, there are a number of potential candidates with rural field organizations. Key among them would be the Department of Community and Regional Affairs, and the Department of Transportation and Public Facilities.

Additionally, the Division of Policy and Planning (DPDP) in the Office of the Governor, would serve as a home for such a structure, either as an intregal portion of the division, or as a more defined sub-component like the Office of Coastal Zone Management. However, there could also be conflicts of fundemental roles. The rural effort needs the partnership, the resources of DPDP, and DPDP should be encouraged to build a strong rural planning component. But DPDP also may need to be the alter-ego of the rural structure, as it functions as rural advocate. It would appear DPDP's planning role should be to put the product of advocacy into a larger scheme, and as alter-ego be the necessary critic of the much more activist rural advocacy agency.

A CABINET LEVEL AGENCY

The creation of a special agency in the Office of the Governor is perhaps the simplest creation. Such an office would be small and it is likely its ability to function, and command policy attention within that framework, would be largely dependent on the capability of the person heading such as office.

The office could serve well enough as the focal point for state interaction with the federal/state interagency agreements. And, in terms of carrying out the intrastate functions of the federal/state agreements, such an office would probably be able to carry out its task of state department coordination.

However, open to question is whether such an office could carry out the "expanded" mandate of a significant rural development initiative. Since rural Alaskans, and legislators, would not be on the inside of such a construction, it is likely the tendency would be for those interests to become critics of actions, lack of actions, or both.

It is also doubtful that such an office left simply in that form, could be the injector of unfinished ideas into various forums, or if so, that the injection would tend simply to be into the executive policy forum shielded from the dynamics of more public policy forums. Additionally, circumstances would tend to make the office "spokesmen" for the state administration on rural economic issues, limiting the dynamics of the structure.

If a simple agency structure is selected, then effort will be required to give the office high prestige, and to provide it with staff. The dimensions of the office might be expanded by merging the function with the Private Industries Councils created federal Title VII, thereby providing the agency with a rural private outreach and some dynamics of rural "input." However, at this point the Office begins to take on the posture of the commission/ agency form of structure.

Under conditions of other times a modified Office structure could suffice, but today the senior policy structure of the state is virtually besieged by "macro-issues," such as d-2, OCS, bottom fishery, gas pipeline, gas liquids development, excess revenue policy, Beaufort Sea development, and many others.

The heavy burdens of Alaska policy going into the 1980s would appear to suggest that a long-range rural policy structure most be given "something extra" to program it for survival.

STRUCTURAL SETTING

The structural setting of a cabinet level office would be much like the other "offices" of the governor, except that a portion of its responsibility would face "outward" from state government to interface with the federal interagency agreements and the federal/state joint function. In many respects the structural arrangement of the rural structure need not be much different if developed in a "commission" form.

The special office could be flanked on one side by the Private Industries Council (PIC), which could act as an advisory group, even to the extent of merging staff functions. The office should also be flanked by the Division of Policy and Planning (DPDP), which could beef up its own rural planning capability and establish direct liaison with the rural office.

It is preferrable under the Alaska strong executive concept that the office be clearly responsible to the governor, and that the governor in the final analysis be responsible for the rural office. The purpose of attaching other involvements is not to erode or substitute for executive responsibility, but to provide some of the special elements previous described. Such features could add political strength by tapping legislative input, involve input from rural advisory features, and achieve status by the involvement of a key political officer such as the Lt. Governor.

However, such features added to a cabinet level office transcends into the third alternative structure, esentially which seeks to construct involvement of other key interests without dilluting the final "executive" responsibility of the office

A RURAL COMMISSION/AGENCY STRUCTURE

The third alternative structure initially appears the most complex. However, the appearance of complexity is derived largely from trying to name the main compenents of the rural structure, and determine their basic purposes. In a sense naming such a structure merely formalizes what likely exists in a "de facto" sense anyway.

The concept of the commission structure would simply be to draw together in one place the "key parties" with rural roles, and then to balance out that more institutional group with a balance of rural field representatives. The structure should remain firmly within the executive framework. The policy group would bring together the following components.

--INSTITUTIONAL REPRESENTATIVES, not necessarily limited to state officials.

--LEGISLATIVE REPRESENTATION, providing a balance against administration.

--RURAL PUBLIC REPRESENTATION, providing for non institutional balance from the rural field areas.

--PRIVATE SECTOR REPRESENTATION, providing representation from private business, possible finance.

The group would be a comission capable of acting as a "whole," but it would also be a commission capable of acting in the form of its natural "parts," he basic components of these subcommittees being drawn from the sectors they represent on the commission:

--DEPARTMENTAL COORDINATING SUBCOMMITTEE

--RURAL ADVISORY SUBCOMMITTEE

--PRIVATE SECTOR SUBCOMMITTEE

In order to allow the commission to function more efficiently it is suggested the governor name an executive committee of five:

--One agency representative

--One Legislative Representative

--Two rural representatives

--The chairman (of the commission)

The structure would be designed to allow, when appropriate, each subcomponent to operate on its own in special areas of concern and assignment. However, at the request of the subcommittees, or the direction of the chairman, the subcommittees would overlap depending on the problem being addressed. Additionally, legislators would be considered members of any of the subcommittees. The system would allow for each subcommittee to specialize in its natural area, with rural representatives minimizing rural outreach and input

The function of the executive committee would be to also operate as the key component in facing the federal government, and in efficiently dealing with the smaller issues of implementing the federal/state inter-agency agreements.

The executive committee would be the state salesperson in the federal market place, seeking to maximize federal resources.

An innovation in the executive committee structure might be to call the legislative representative the "Legislative Co-Chairman." The suggestion is that the legislative co-chairman would not have the same management perogratives of the chairman, but could be used to maximize the presence of the commission by carrying to the federal level the power of legislative position as well as being charged with rural leadership as (Legislative) Co-Chairman. In considering the latter suggestion, it should be remembered that there is a difference between the "elected" leaders and the agency presentatives reception in Washington offices. The elected representatives has no constraints in skipping middle-management, or in the unquestioned right of calling on Washington level political support and in involving them in deliberations. The posturing of the legislative co-chairmanship would solely to an attempt to sustain the rural effort by tapping political power and political presense as the state structure faces Washington D.C. Equally, the Lt. Governor might be used to be the Chairman of the state structure, thus again tapping the political strength and presense of the elective leaders.

The goal of tapping the state's political power structure is to provide a strong and unified executive/legislative policy face towards Washington D.C. (such policy links also facilitate federal links to the state).

In terms of excecutive functions on the internal Alaska level the legislative possition should not violate the integrity of the traditional Alaska executive system. In this area the position of legislators would be that of members.

In terms of the policy structure reaching out for input into rural Alaska, here the legislators could again play a stronger role, perhaps even facilitating common outreach efforts between legislative committees and the commission effort.

MEMBERSHIP

The Commission shall be composed of not more than 14-members, with four being institutional members, two being legislators, two being members of the private economic community, and six being members from rural areas.

Legislators could be appointed by the governor, or by the presiding officers of each chamber.

Legislation should provide for the membership of the director of the University Cooperative Extension Service on the commission as one of the four instititional members.

The legislation should name state departments with key rural field and/or planning responsibility, requiring the Governor to name two as institutional members. The legislation should state that other chief administrators shall serve ex-officio at the request of the Governor or Lt. Governor.

The legislation should name the Lt. Governor as an institutional member and name the Lt. Governor as Chairman of the Commission unless he chooses not to serve on the commission. In such event the Governor shall name another Chairman from any of the membership.

Two private economic community members should be appointed by the governor, representing private business and/or financial expertise.

Six members should be appointed who live in rural areas. It is suggested that these members be drawn from a list of nominations from the boards of the Rural Education Attendance Areas (REAAs). Requested should be first nomination of REAA board members willing to serve, and preferrably with private business experience in rural areas, and second for nominations other than board members. The intent is to move towards using the state's only region-wide elective rural officers for public input in state policymaking affecting their communities. The legislation should ask that the governor's appointment from those nominations recognize the various rural regions of the state as much as is possible comensurate with a small number of members to be appointed.

AGENCY DIRECTOR AND STAFF

The Legislation should provide for the appointment of the Director of the rural structure by the governor.

The gubenatorial appointment makes clear the primary executive loyalty and nature of the structure. Additionally, the act of inviting legislators into a titular role of an executive commission denotes a certain amount of trust between the two branches of government on rural advocacy. As a practical matter, the governor may be well advised to consult with the commission in selecting a director, while making it very clear that the director has the support and confidence of the governor. In this regard, it should be considered that the director will have to function among other department heads in coordinating rural functions. If it is not clear that the director is the "governor's person," then the functionality or the ability to coordinate and cooperate with other agencies is open to question. Without executive recognition, the director is likely to quickly become the underling of whatever key administration official on the commission DOES HAVE THE GOVERNOR'S CONFIDENCE.

The legislation should also provide for commission staff within the provisions of legislative budgeting. The nature of the commission may also mean that some staff can be provided by federal grants. In staffing expertise should be split between employees with practical rural awareness and staff that has expertise in working within government and private agency structures.

AGENCY/COMMISSION DESIGN

The design of the commission appears complex. It is in reality quite simple. The appearance of complexity comes from trying to arrive at a design of any unit whereby the pieces of the unit can remain separate when necessary (or when working on issues and problens which need not involve the other components of the commission).

--The design allows for the federal government to design whatever cooperating unit it desires and attach it to the state creation.

--Whatever federal working unit could 1) function seperately, and 2) be part of a unified state/federal working council, depending on working goals and conflicts. And, 3) a federal designee (likely of the federal designated lead agency under interagency agreements), could be a federal vice-chairman of any combined unit.

--The state executive committee could function as a separate state unit in direct Washington lobby efforts.

--The state executive committee is designed to simplify the federal interface and internal state interagency coordination.

--The full state Rural Development Commission is designed to function as a whole in dealing with problems, policy, and projects.

--The State Rural Development Commission is designed to function in its natural "parts" in 1) attacking problems unique to those parts, and 2) in trying to fullfill obligations to have an "outreach and input" to and rural rural areas of the state.

--The State Rural Development Commission in its "parts" will also be able to accomodate overlapping between those parts based on the "overlap" of problems and the "overlap" of the individual "interest" of members.

--The state/federal structure at the top will be able to direct the function of state/federal subunits who actually exist in, and have practical field knowledge of, rural Alaska regions.

--In keeping with establishing a line of authority, the State Rural Development Agency would work under the "direction" of the Governor through the offices of the Lt. Governor acting as Chairman. The commission would provide the carry-through on rural issues.

THE KINDS OF ISSUES AND PROBLEMS

The kinds of issues and problems the rural structure will handle will be varied. The central theme of the commission at any period in "time" will depend on what is possible within the historical circumstances of that time period.

--The development of a private economic base in terms of "specifics" will in part depend on practical economics --practical potentials of "what's" possible "where," and "when."

--The structure may address the issue of "what the state should do" in helping prevent failure and default of smaller native/private corporations actually located in rural areas.

    --possible maintenance of a village management assistance effort like attempted by Alaska Native Foundation (through CRA, or by contract).

--State potential in encouraging native capital investment in rural areas, and in participating in the "security" of front-line rural investments.

--The development of state loan instrumentalities, and state bonding authorities, in such a manner as to be practically useful for potential rural investors.

--Identification and resolution of other rural "blockages" to private investment.

    --fire insurance.
    --bonding availability.
    --utility infrastructure.
    --transportation
    --training Assistance

--An advocate to "tailor" large "macro" economic projects, whether a major petroleum project, or an applicant for state industrial bonds, to respond not just to such things as generalized affirmative action, but more specifically to the "micro-economic" needs of more remote rural communities (if an employer can rotate an employee from Anchorage or Texas, it is possible to rotate an employee from a rural village.

PAST AND PRESENT:

STRUCTURE OF STATE RURAL RESPONSIBILITIES

January, 1980

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This report briefly reviews state responsibility and organization from the perspective of Alaska's varied rural populations.

The report probes state organization and function in terms of the potential "role and placement" of a state structure charged with encouraging the development of a private economic base in rural areas. The report does not seek "fault" in existing programs, or suggest fault through past action or inaction, but rather seeks to indentify rural programs which offer creative association for some "new" structure charged with forging a state/private partnership devoted to expanding a "private" economic base in rural Alaska.

At Issue: A Rural Strategy

In the final analysis this report is suggestive that the state needs to be continually developing and modifying a broad and flexible "Rural Economic Development Strategy."

Secondly, the state needs the MEANS by which to implement and sustain such long-range policies.

Thirdly, the state needs to take the leadership by establishing a structure on the Alaska level, designed to maxmimize and coordinate federal, state, local, and private resources available for desirable rural economic development projects. The more detailed consideration of the proper design of such a state structure, and the placement of such a structure within the framework of state government, is the subject of a companion report to this document.

Lastly, as a matter of statewide economic policy, this report suggests that rural development is fundemental to urban development. Rural economic growth should be an important urban economic goal, since such development is essential to broadening the economic base of the state's commercial centers.

GOVERNMENT STRUCTURE AND "POLICY"

Government generally is a highly organized structure designed to provide a variety of "services" that a society has determined to be necessary. Therefore the established structure of government says something about established policy, the priority of various policies, and about the "lack of such policy."

In the case of an Alaskan rural economic policy, there is essentially no clearly identifiable structure, and therefore there is no apparent state rural economic policy, or policies. There are, of course, many state rural "service" programs, and a large variety of state rural policies addressing various rural needs, but few touch upon the the seemingly primary need of "an economic base."

However, this should not be suprising since Alaska state government, or any other similar government, is generally a structure developed to deliver the more traditional services --education, transportation, health and social services, and etc. It is perhaps an unusual circumstance, that our government systems in this country often focus strong issue on "things economic," but rarely do they develop the means to effect strong economic policy. The problem of effecting rural policy is even more acute, since a lack of infrastructure and isolation limit the normal means of "advocacy."

Under any circumstance the distance between our American government systems and our private economic systems is significant, and only when unusual tools are available to a government, or there is crisis, is policy generally able to bridge the distance and weld government and private economic goals to some common purpose. In view of our public and private systems "seperation," Alaska's potential for success in forging a state/private partnership must be open to issue. However, Alaska does have some special and unusual "tools" at-hand --tools that most other government have no hope of having available.

ALASKA: SPECIAL TOOLS FOR SUCCESS

First; the general state of collapse of the Alaska rural economy in many regions means there are few entrenched interests to complicate and make policy change difficult.

Second; Alaska is in many respects the most "rural" of all the states, providing opportunity for Alaska to gain federal recognition of its rural economic needs on the federal agency level.

Third; Current federal policy is shifting to emphasize federal support for private efforts that contribute to a continuing private economic base, with special emphasis on rural economic initiatives. Alaska has special opportunity to take advantage of both old and new federal resources, and also has special reason to sell its often unusual needs to the federal government.

Fourth; The structure of the State of Alaska is less complex, and has a clearer line of authority than most other governments, creating special opportunity to expedite and coordinate federal resources. In other words, Alaska has a genuine executive structure, while most other governments (competing for resources) are structured into something akin to a "committee of executives."

Fifth; The state is Alaska's largest resource owner. Aside from being a political entity, the State of Alaska is one of the largest and and most diversified resource corporations in North America.

The role of resource owner is untypical of other governments, and gives the state both special opportunity (and responsibility) to promote economic development and to forge a mutually beneficial partnership with the private economic structure needed to develop those resources.

Sixth; The state is also a large financial corporation well beyond the bounds of the usual government service institution. The state's resource disposition provides it with "excess revenues" well beyond the state's immediate and future service demands, leaving opportunity for the prudent use of excess financial capital as a tool in encouraging private development.

Seventh; The settlement of Alaska Native Land Claims has provided a unique private structure in rural Alaska, and has created opportunity for the state to work in partnership with that unique private corporate structure. The land claims settlement has created a rural network in private interests that has both lands and some financial capital. The native corporations represent a "local opportunity" for partnership and for participation in development, which is completely unavailable in most other similar areas of "third world" economic conditions. The native corporations have the unusual nature of having the efficient structure of the private corporation, but also having a local base.

Eighth; The economy of Alaska has access to a large federal landmass, and its various resources, as well as significant marine resources and the nation's largest continental shelf.

Ninth, The final special difference for an Alaska economic initiative may be in the "timing." The timing is very likely "right" in terms of the: 1) maturing of the land claims corporation, 2) in terms of the maturing of the state resource and land base, 3) in terms of the state's financial resources, 4) in terms of world crisis over long term resource commitment and availability, and lastly, 5) in terms of the evolution of federal policy to stress private development, and the opportunity for maximizing federal financial resources and generating federal cooperation and coordination.

Nevertheless, the forging of a tri-partnership --state, federal, and private-- to address rural economic problems and develop an Alaska rural development policy, is not a easy task. However, in any such policy the state must have primary responsibility, and it is the state that has the lasting interest in insuring that rural economic policies are developed and can be sustained over a sufficient period of time. If an emphasis on rural economic problems is to be initiated, then it is the state that has the responsibility for initiation.

Initiation by the state also provides a certain acknowledgement by other partners, especially the federal government, of the state's leadership in setting economic priorities, in economic and environmental planning, and in allocating monetary resources. Such leadership also provides opportunity for a commanding role in maximizing state financial resources available for development by addition of federal and private effort.

THE "PLACE" OF A RURAL INITIATIVE STRUCTURE

The end result of a review of state rural service responsibility is a determination of whether a structure, designed to promote policy enhancing a rural "economic foundation," belongs "within" the traditional government service structure, or is best placed "outside" of normal government delivery institutions.

The general conclusion of this report in reviewing state rural programs appears to recommend that such a structure should stand "separate" from the general programs. The basic function of the routine delivery of rural service, and the task of maintaining a continually changing rural economic development strategy, appear to be inherently separate.

Many reasons can be presented in defense of such a "separation," but these reasons, in terms of detail, belong more properly in the companion report to this document which deals with the potential conceptual design of a state policy structure.

However, such reasoning ranges from the traditional separation of the private economy and government service roles in our American systems, the special "advocate" nature of an economic policy structure, and the need for a structure to be an advocate of rural services related to rural economy that are broader than the function of any one agency.

Finally, to be successful in bridging the gap between private and public systems, such a policy group needs the strong political adjacency and backing of both the executive and the legislative.

The success of government dealing with the private policy sector may be rooted in government respecting the private-policy sector as a sector to be treated with a respect, and on an equal footing, with the policy branches of government. Therefore, the suggestion that state dialogue with the private sector be subordinated to a sub-bureaucracy status may be fatal to a successful policy partnership. In other words, a policy partnership suggests a certain equality and mutual interest among the parties.

A principal determination of the policymaker in seeking to "place" a state structure charged with encouraging a private economic base, may therefore be, whether the public policymaker chooses to treat the private sector as an equal and independent partner in policy, or whether that private sector is a subordinate partner suggestive that it is to be "directed" by some line-agency.

However, this is not to suggest that such a rural economic development structure does not have a strong interest in, and relationship too, the rural service agencies and the state's role in community development. An economic development structive would be strongly supportive of rural service needs, especially as they impact development opportunities.

Hence, in "placing" a state policy structure charged with addressing economic issues, a number of primary considerations have thus far surfaced. They are:

1) The issues of whether the mission and the charge of economic advocacy are not inherently different, and therefore such a structure perhaps should not be subordinate in a line-agency with service functions.

2) The need for a political adjacency to governor and legislature in order to maintain momentum, and

3) The issue of treating the private policy sector as a legitimate policy level co-equal.

THE RURAL POLICY SYSTEMS

The previous discussion questioned the placement of a state rural economic policy structure essentially "within" the state line-service functions. However, the policy structure external to the state government itself must also be reviewed in terms of such a state system.

In rural Alaska four basic policy systems are identifiable. The systems are familiar structures in American policy, but as might be expected, in rural Alaska some of those structures are underdeveloped or almost non-existant.

It is not "within" any one of these systems that a rural development strategy must be forged, but rather between such systems. The structure by one means or another, to be successful, must forge a partnership among these systems.

These identifiable policy systems are, in their broadest context, as they apply to rural Alaska:

1) The federal policy system.

2) The state policy system.

3) The local government policy system.

4) The private enterprise policy system.

The first three systems are clearly recognizable, although each has its special difficulties in dealing with the problems of rural Alaska. However, it is perhaps unfortunate that the American "alter-ego" to government, our very dynamic private economic system, is not recognized and communicated with as a fundemental policy system.

As indicated the above systems each have their problems when applied to rural Alaska. The special problems of the state system and the local government system will be discussed in more detail in following material. However, the federal system deserves some brief comment, since the system has "more established economic roles" than state and local systems, but must suffer from sheer logistics of policy between remote policy centers and extremely isolated Alaska rural communities in a bi-cultural setting. The federal government also faces the very realistic problem of having to establish policy criteria on a norm that fits an incredible variety of national situations.

Despite areas of extreme policy dispute between the state and federal government, the federal government does offer significant resources that can be applied to a rural development initiative.

ORIGINS OF STATE RURAL POLICY

The state largely inherited the rural policy system from the federal government. The Territorial government also carried out certain rural service functions. It is perhaps easy to point an accusing finger at the federal government, alledging a neglect of rural Alaska, but it should also be remembered that Alaska Territorial government was a form of "self government" and had the option to function in rural regions.

There are many reasons why Alaska Territorial Government did not expand its functions into the rural regions, and many of those reasons are very practical and many are simply circumstantial under the conditions of the period. Conversely, a case can be made that the federal government made significant efforts, especially when one considers the practical circumstances of that government in dealing with rural Alaska. Like all government, the federal agencies depend on policy, and policy depends on "appropriations" that generally derive from a political base. Obviously, Alaska had little political base, and the far flung and isolated rural needs of the state lacked even the cohesion necessary for a local advocacy. Most federal agencies lacked support for carrying out Alaska functions, while others received "fall-out" support from general "Indian" legislation enacted by the Congress

It is not the function of this report to go into detail concerning the problems of early rural policy. However, a few brief comments lend perspective to the later development of rural policy under statehood.

Presently, state rural policy is primarily aimed at delivering in rural areas the "traditional" services of government. And, in view of the difficultv the state has had in simply forging policy for the more traditional services in rural areas, it is not suprising that the state has been incapable of addressing a "less traditional" role regarding the economic plight of its rural populations.

In general, the circumstances that retarded the delivery of basic services in rural Alaska, simply more fully eclipsed a policy recognition of economic conditions and attendant state responsibility.

First, in early statehood, since the state was not delivering the traditional basic services, it was unlikely that the state should perceive self-responsibility for the more non-traditional and difficult to service economic problems. Additionally, generally government will not respond to more difficult development of "economic policy" unless there is a crisis. There are some exceptions, such as the nation's long history of addressing agricultural economic policy. Hence, economic policy in the area of U.S. agricultural policy has become "traditional policy." Additionally, in places like rural Alaska, hidden away from general policy-view (and public) view by isolation, wilderness, and culture misperceptions, despite severe economic problems, the existance of such "crisis" was simply not recognized.

Secondly, in early periods Alaska rural policy was fractured, and additionally there was no traditional local government system to be the conveyor of local needs to "the citizens," and to be the purveyor advocacy to senior governments.

Third, in the early years of statehood there was a perception, despite the declarations of the State Constitution, that native issues were federal issues, and that native Alaskans were still the "wards" of the federal government.

Fourth, state responsibility was further undercut by assertions that rural problems were the result of federal neglect (somehow justifying further state neglect).

Fifth, there was general recognition that rural services were expensive. Therefore there was a natural, and perhaps quite practical, resistance on the part of the revenue impoverished young state to create rural services, or to encourage an early transfer of many functions from the federal government.

Sixth, a public perception that statehood and local control would bring a magically improving general economy tended to undercut entry into economic policy. Statehood itself was perceived to be the economic solution for all Alaska. The economic emphasis of the time was more on the government-revenue side of the economic equation.

Seventh, the federal poverty programs were implemented in the early 1960s. Many of these programs were administered by the state, and others were delivered directly to rural Alaska. The programs appeared to be dramatically attacking rural poverty, and did tend to "finance" the entry of the state into rural responsibility. However, most of the programs focused on traditional government policy areas, such as education and basic services, and there was not a coordinated emphasis on the causes of rural poverty --the lack of "cash" industry and the rising demand for "cash" in the rural economy. The programs for the most part were conceived in Washington D.C. and funded on an "on-gain/off-again" short term grant basis. The cycle of poverty programs failed to recognize that much of pre-war rural Alaska had a variety of "cash" industries that fit community life-style, but that post-war Alaska saw those industries sink into almost total recession.

The poverty programs did their job in identifying that rural Alaska was in "poverty," in providing an element of advocacy that substituted for the lack of infrastructure, and in easing the state into a rural outreach.

Eighth, land claims settlement contributed to public misconceptions and adversity. Land claims helped dramatically forge state rural issue and policy, but tended to distract from a detailed focus on very basic rural needs. Public reaction to land claims was that native Alaska (rural Alaska) has land and money, so let them solve their own problems. Oddly, the land claims structure should have been "welcomed" as an economic middle-ground structure usable by government in development policy.

Ninth, the gigantic economic issues of the pipeline period of the early 1970s tended to sweep aside lesser and more homegrown economic problems. The pipeline was a distraction. The "euphoria" of the pipeline boom, both within and outside of government, created the assumption that something would rub-off on everyone.

Tenth, rural political representatives have generally been at a disadvantage in securing policy attention and service dollars, partially due to the lack of a local government funding vehicle for channeling state monies for local services. For example, broad funding formulas have allowed urban lawmakers to sercure most appropriation needs on almost an "automatic" annual basis. One formula delivered basic school support for urban areas, and another picked up local debt service. Such formulas delivered urban educational services and also relieved local tax burdens for other purposes and services. Maintaining such services required only minimal political effort each year, with all urban lawmakers having a common interest. In contrast, rural lawmakers have constantly been required to fight line-by-line for service approprations within the budget, often in competition with fellow rural representatives. Under such conditions the rural lawmakers quickly "expends" his political opportunities for minor gains in "bricks-and-mortar." Despite urgent long range problems, the rural politician has had little excess energy to devote after battling for immediate needs. Applied to economic development, rural lawmakers have had difficulty in just marshalling their talents for the "most basic" of traditional basic services, let alone entry into such long-range, complex, and less traditional policy arenas as restoring a private rural economic base.

The lack of substantial local governments in rural Alaska creates many problems. The rural state representative is left being a substitute local government representative, and the state is often cast in the role of substitute local government. However, this report does not suggest that creation of "local government" in rural Alaska will necessarily resolve local-government oriented problems. Obviously, rural Alaska lacks population density and the usual dynamics that makes local government viable, and therefore caution should be exercised in attempting to create a system that may be unrealistically "grafted" on top of rural communities. The lack of a "cash" economy in rural regions may be prerequisite to a genuine local government --a government that rural people feel belongs to "them" and not the state.

This report earlier suggested that a crucial issue in a public/private partnership in development is whether the public treats the private as a "respected" policy equal, or whether it attempts to subordinate that policy partner. Suggested was that an equality is perhaps crucial to a true partnership and creativity. The same may be true of local government, which is often termed a "lesser" government. It may be important to a rural "economic initiative" partnership, as well as to the proper relationship of a rural local government with the state, that the policymaker determine whether rural local government belongs to a rural public, or is simply a step-child of the state for the state's convenience, and whether in any partnership the policymaker (and the state) views such a relationship as one of equals, or of a subordinate relationship. The

relationship, and be suggestive of a subordinate role of the state.

BENCHMARKS IN ALASKA RURAL POLICY

Alaska rural policy has its origins in the Territorial period in Territorial legislation, in federal legislation, and in the organic legislation of the federal government that granted powers to Alaska level governments of the period. The basis for the expanding policy role of Alaska government in that time was linked to: 1) the ability of the Territory to carry out functions, and 2) its desire, or lack of desire, to responsibly tax itself to carry out policy functions and services.

Limit on Territorial Powers

In granting powers to Alaska in various pieces of organic legislation dating even to pre-Territorial status, the Congress saw fit to limit the ability to finance through "bonding," which correspondingly limited the ability of the Territory to finance capital projects. Since most rural needs were "facility" oriented and expensive, that basic federal limitation considerably hamstrung Territorial government. Depending on the period, the Territories ability to "tax" was also limited.

As a result statehood and the ability to bond represented a crucial benchmark in the state being able to finance rural programs.

Congress reenforced the situation by granting the Alaska cities the right to bond for facilities. In reviewing the situation it is easy to conclude that Congress desired to keep the Territorial government weak.

Alaska Willingness to Tax

The ability of the Territory to tax was also in question at times, with such question being aimed mostly at the ability to tax the lucrative fishing industry. Alaska was willing to tax its "outside" owned industries, Congress under lobby by Seattle interests was reluctant, but it must also be acknowledged that when it came to taxation the Territory also showed a very "marked disinterest" in taxing its own citizens by any means.

Hence, while Alaska decried federal dominance it was reluctant to "pay-its-own-way." As a result Territorial government resembled something of a "pass-through" agency." With little money of its own, the Alaska government took in federal funds and other earmarked revenue, and passed those funds through to local government.

In the pre-statehood period it was local government that had the ability to bond themselves, tax themselves, and which were the primary recipient of Territorial federal funds. The weak Territorial government did not have unrestricted funds to spend in rural regions, and the lack of a local government infrastructure left the rural citizens out of the basic funding pattern. The pattern simply reenforced the "division" of the Alaskan urban/rural spheres, and the dominance of the federal government in the rural area. The lack of revenue, and the lack of a willingness of the Territory to raise its own from its own citizens, simply meant there was no "Territorial presense" in rural Alaska.

Perhaps the crucial benchmark paving the way for Alaska rural policy was the Territories decision to "tax itself" after a bloody 1948 election surrounding the issue. Territorial Gov. Ernest Gruening for a decade had advocated the need for a comprehensive schedule of Alaska taxes to finance government, and for a decade the Territorial Legislature steadfastly refused such a program. In exasperation Gruening in 1948 aggressively campaigned against the legislature, and suprisingly won a majority that enacted Alaska's first really comprehensive revenue base.

The decision to tax was an important decision in declaring an assertive self-responsibility, and while benefits were not oriented towards rural Alaska, the revenue availability would begin a long process of accepting more expensive rural responsibilities. Oddly, the tax benchmark was likely a crucial step in the final drive for statehood. The period 1948 - 1953 saw lawmakers begin to organize a very fractures government, saw a leveling of federal agency power, saw the Territory complete an organized compilation of its laws, saw the abolition of the Alaska Fund with a coordinated tax system, the creation of a Territorial Department of Fisheries (as an assertion of local management), and the creation of the Alaska Statehood Committee.

Territorial Influences on Alaska Structure

The Territorial experience was one of wrestling with a fractured Territorial government, with a variety of elected officials, a weak legislature, a federally appointed governor, and policy strings that disappeared into the maze of Washington D.C.

The Territorial experience had established the firm place of local government in the policy framework of Alaska political thinking. The new emphasis was not so much to create a "super-executive" structure, but to create a structure far removed from the cob-webs of the Territory, where the line responsibility was clear and where there was clearly some "one" in charge.

Constitutional Benchmarks

The constituion Alaskans drafted in 1955 produced a number of rural benchmarks and framed a few ongoing policy dilemmas.

The constitution created generally a simple executive structure with the governor clearly responsible for all actions. While Alaska has its ongoing problems in making government function, the simple structure of the Alaska system in the long-run should be an advantage for rural needs, policy development, and coordination of multi-government effort. Many other state's administrative structure resembles a "committee" of executives.

The constitution declared responsibility for ALL its citizens, laying both the legal and policy foundation that native Alaska, and therefore rural Alaska, was the responsibility of the state.

The constitution recognized the unresolved nature of Alaska native land claims.

The constitution attempted to deal with the problem of local government by declaring that Alaska would be divided into governmental units called "boroughs" (State Constitution, Article X). The lack of local government still causes problems in state dealings with rural Alaska, but also, the fundemental problems that have precluded the normal creation and function of local government in such remote rural areas are also still with us.

Early Statehood Benchmarks

In the early period of statehood the state government was not without rural concerns. The state attempted entry into vocational education aimed at rural areas, and airports were a high priority. A Rural Development Agency was established in the Office of the Governor, which acted as the representative of the governor in assessing and resolving urgent rural problems, and which also administered a small grants program (now lodged in the Rural Assistance Division, Department of Community and Regional Affairs). However, in the first half of the 1960s state efforts were constrained by budget uncertainty as the state absorbed functions from the federal government and attempted to establish a revenue base. Under such circumstances the state budget was small, growing from $60-million to $154-million by 1965. Early bond issues totaled only $30-million (1960), $17-million (1962), and $13-million (1964).

The real rural issues began to surface in the mid-1960s as the state's financial ability grew and as confidence grew that the could pay for new effort in policy.

In 1965 the Legislature developed a concept of rural regional high schools, and presented a $5-million bond issue to the public. While the concept ultimately never came into existance, the public DID APPROVE THE BONDS. The action was an important legislative, and public, declaration that the state was ready to begin carrying out its rural education service responsibilities, and that the state, not the federal government has the responsibility for educating rural Alaskans (native Alaskans). Likewise, the issue recognized the severe problems of secondary education for rural citizens.

In 1966 Land Claims settlement became an issue for the first time in the public policy forum.

Additionally, in the 1966 elections issue surfaced as to whether the state should create a Department of Native Affairs to tackle rural Alaska problems. The issue produced considerable debate, con' ibuted to public awareness of "things rural," but floundered in both the native and non-native community on the basis of not wishing to create another "little-Bureau of Indian Affairs," and on concerns that such an agency would create difficult racial question. The issue lead to the counter suggestion of creating a Department of Community and Rural Affairs.

On the Congressional level by 1964 Alaska representatives were beginning to press for an Alaska Housing Program for rural communities, and press for upgrade and transfer of BIA schools to the state.

The mid-1960s also saw the entry of the federally instigated war on poverty programs. The programs made contribution to developing "rural awareness" on the part of both policy maker and public, and likewise contributed to grass-roots awareness of problem solving on the rural level.

By 1966 native land claims had brought about the first phase of the land freeze, and the land claims problem was rapidly becoming the state's most serious issue.

By 1968 significant efforts were being made to bring electrical services to Alaska rural communities. The Alaska Village Electrical Cooperative (AVEC), organized to finance through the the federal Rural Electrification Agency (REA), also required a somewhat hasty organization of many Alaska rural communities into Alaska fourth class cities.

Throughout the majority of the 1960s two adjacent policy/issue streams were developing. Independent issue forces were developing such as land claims, as well as political forces such as the Alaska Federation of Natives, and other non-profit corporation agencies in the form of rural need advocates (AVEC, poverty non-profits, etc.). And, in the other stream,the improving revenue base of state government, more than $200-million by fiscal 1969, allowed a cautious state expansion into rural service needs. In perspective, the 1960s was a period when Alaska was unsure it could meet the basic obligations of statehood in terms of financing government, and as events of the decade provided "confidence," the state showed willingness to confront more costly rural service needs.

The discovery of oil and Prudhoe Bay in 1968 and the entry into a "surplus revenue" condition in 1969 with the receipt of the $900-million set the stage for facing more rural responsibility on the part of the state.

On one hand the rural areas suffered in the "funding process" because they were not part of local government systems, and therefore could not participate in the almost "automated" state transfer of funds to Alaska local governments that saw additional funding equally more than half of the $900-million shifted to urban areas in the next five years. On the other hand, the existance of excess funds meant that rural areas could push for additional education funds, transportation improvements, and other health service needs.

By 1971 the legislature had created the rural State Operated School System SOS, and while short-lived, the effort was aimed at providing rural Alaska a sembalance of autonomy, input, and substitute local government in the area of education.

In terms of funding for education, the stepped up appropriations in essence represented the first <u>significant state money</u> that the state had put into rural education. Prior to 1970 the state's receipts under federal PL-874 impact funding approximately equaled the state's rural school outlay for operations (Note: The federal government generously allowed the state to receive maximum impact funds even treating open-to-entry federal lands as maximum federal impact).

The state in the early 1970s enacted such legislation as a Village Safe Water Act (although little more than a declaration of responsibility for health needs), it addressed the needs for community roads, trails, and designed state municipal revenue sharing so small communities could obtain a share for the barest expressions of responsibilities such as fire, police, and etc.

Settlement of Land Claims in 1971 began a process of constructing a private corporate infrastructure throughout rural Alaska. However, there was unfortunately little state effort to recognize that structure in any institutional construction, or to take an interest in the survival and success of those unique creations on the part of the state.

The legislature did create in the early 1970s the Department of Community and Regional Affairs, which was designed to collect together rural and community functions of state govenment. The assumption existed that such a department would provide adequate "rural linkage." However, while the department has in many cases performed very capably, it was created as a line-agency (program agency), and as such too much was expected in regard to such an agency pursuing problems that exist outside the scope of defined programs or are multi-agency.

The legislature in the mid-1970s hammered out the Rural Education Attendance Area legislation (REAAs), disbanding the old SOS school system in favor or regional districts.

The REAAs represented a significant policy step in creating (education-service) local government, in allowing a genuine measure of regional autonomy and self-determination, in providing a funding formula taking the burden off rural lawmakers to have to fight for each individual school need. The REAAs also sought to follow native corporation boundaries, seeking to achieve a social and geographic compatibility.

THE PATTERN OF STATE SERVICES

The present pattern of state services being extended into rural Alaska are very BASIC AND TRADITIONAL SERVICE ORIENTED.

The entry into rural services follows the traditional American pattern of education, transportation, and health and social services.

On the rural community level this translated into the presence of teachers, school facilities, an airport, roads in trails, the availability of safe water, and to a lesser degree the presence of sewage disposal, electrical service, and adequate housing. Of these services teachers, school buildings, roads, trails, and airports can be funded either by formula or by state appropriation. However, water, sewage, and community electricity are utility in nature, implying some measure of local support and responsibility. Additionally, adequate housing implies some ability to support that housing.

It is in the area of utility services, housing, and personal income that state policy runs into the "void" that is at the bottom of rural issue. The issue is the lack of rural economy, the lack of ability to support services, housing, and family.

A review of state service responsibility in rural area reflects emphasis on blindly providing categorical services. It is the Department of Education's responsibility to facilitate education. It is the Department of Transportation's responsibility to provide roads and airports as directed by the legislature, it is the responsibility of the Department of Environmental Conservation to police safe water, it is the Department of Community and Rural Affairs responsibility to operate various assigned community assistance efforts. Each department has its functions and carries out that function. However, schools need electricity, water, and sewage, and homes and people need services, and the later need income for paying for such services and for purchasing other personal needs.

In the final analysis, no state agency is responsible for any kind of comprehensive addressing of the problems of rural economy.

The failure to address an Alaska rural economy is not a failure of program agencies and their specific authorities, but rather a failure of state policy to recognise that while services are urgently needed, they coumpound the problem of rural economics --the widening division of "cash available" and "cash needed" to pay for services.

The economic conditions of rural Alaska date to the 1940s, and while rural Alaska has always lacked services, it has not always lacked an economy. Pre-World War II rural Alaska had a variety of "cash" industries, depending on the rural region, that quite amply supported the rural life style of the period.

Such rural industries were fur, fish, gold, labor intensive transportation, woodcutting, and etc., all of which declined into disasterous conditions by the mid-1950s. External influences and changing technology eroded the rural economy. The price of gold was frozen in the early 1930s, spelling a slow death for Alaska mining, fur fashions changed and fur farming, synthetics, and fur imports snuffed out the fur industry, the bush plane eclipsed labor intensive transportation, and the convenience of oil killed off the woodcutting industry. In 1948 the Alaska Railroad altered its Yukon River steamboats from woodburners to oil, and overnight the woodyards and much economy disappeared from the Yukon Valley. Likewise the decline of major industry saw the decline of fishing for barter and cash.

A strong case can be made that for the past quarter century rural Alaska has been in severe depression and almost nobody noticed. This can be contrasted with the quick response and issue attached to the current problems of the state's urban economies. The difference is likely that a sophisticated infrastructure exists in the urban areas to demand that economic crisis be recognized and dealt with to the extent possible.

By and large it was not the role of the state service agencies to notice and deal with such a fundemental issue as rural economy, an issue obviously far exceeding the boundaries on the jurisdiction of any one, or for that fact, all such agencies.

The purpose of reviewing state services within the context of economic rural needs is that while such agencies must remain largely within their categorical responsibilites, these same agencies are very valuable front-line allies in an rural economic initiative. Regardless of however the state chooses to address the broad issues of rural economic plight, the facts also are that a fairly small number of state agencies have the rural organization and community level experience that must be brought into any such effort.

The following section will review state agency from the standpoint of both present rural involvement and the nature of that involvement.

RURAL EMPHASIS OF STATE AGENCIES

State government growth over two decades has produced a greater state presence in rural areas. Growth has produced a developing pattern of state agencies with a viable rural network of employees in the field.

Agencies with singificant rural presence divide into functions which by their nature must remain narrow, such as police functions, and agencies which have sigificant community development potential. The following chart reflects agencies with large numbers of employees "outside" Juneau, Fairbanks, and Anchorage.

STATE EMPLOYMENT BY DEPARTMENT AND LOCATION
(Timeframe 1977)

Agency	Juneau	Anchorage	Fairbanks	Other	Total
Governors Office	174	106	25	21	326
Administration	307	102	90	170	669
Law	59	69	29	17	174
Revenue	150	85	11	10	256
Education	260	92	6	77	435
* Health Soc. Serv.	411	741	188	461	1,801
Labor	406	201	84	77	768
Commerce/Econ Dev.	123	118	8	3	252
Military Affairs	11	104	4	32	151
** Natural Resources	38	171	51	144	504
** Fish and Game	202	230	79	364	875
** Public Safety	134	300	100	313	847
Environmental Cons.	78	10	16	15	119
* Community & Reg Affr.	99	39	7	14	159
* Trans & Pub Facil.	874	763	440	1,117	3,194
Legislature	122	50	13	18	203
Alaska Court System	37	245	81	120	483
TOTALS	3,485	3,526	1,232	2,973	11,216

* Agencies with large rural organizations and/or responsibilities.

** Agencies with specialzed rural functions.

Several other organizations outside of the state structure deserve mention. One is the University of Alaska, which has a growing rural network, and other other are the Rural Education Attendance Areas (REAAs). The latter are of interest not only because of their comprehensive local government coverage, but because their boards constitute publically elected representation.

The following review of state agencies will be reviewed in order of groups of agencies reflecting:

1) Agencies with either large numbers of rural employees in the field, significant rural responsibilities, or with both.

2) Agencies with large field organizations but with highly specialized responsibilities, and which therefore might not be appropriately called upon in some coordinative rural effort.

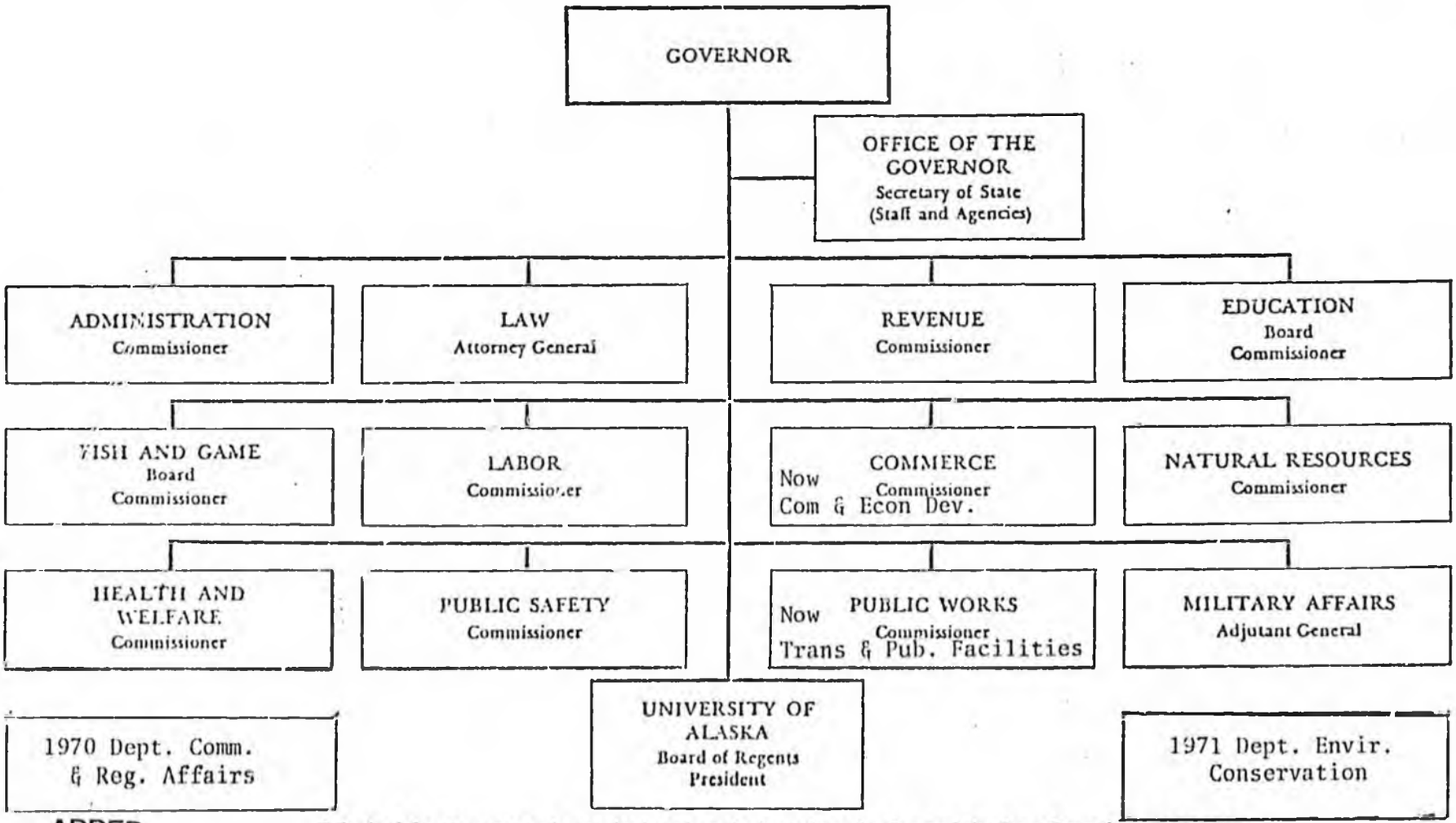
3) Agencies with small rural field staff operations, but which have a large policy impact on potential rural issues. Agencies with potential for rural involvement.

4) Agencies without significant rural field operations and with little definitive rural responsibility.

The following page provides a view of how the architects of Alaska government established state agencies in 1959 with twelve departments (the contitution limited departments to 21). The basic organization has altered little in two decades. Two new agencies have been added, another department was created and then merged with Commerce (Dept. Commerce & Economic Dev.), while the early day version of Public Works was split into thr Departments of Highways and Publig Works, and then remerged in 1977 into Transportation and Public Facilities.

Alaska 1959

ORGANIZATION OF THE EXECUTIVE BRANCH



Principal departments and agencies based on the State Constitution and the State Organization Act of 1959. Members of the Fish and Game and Education Boards and the Board of Regents appointed by Governor. Commissioners of Education and Fish and Game appointed by Governor from names submitted by Boards. Heads of all other principal departments directly appointed by Governor. All appointments subject to legislative confirmation. The administration of the University of Alaska is specifically established by the Constitution and is not under the same direct executive control as the principal departments included here.

GOVERNOR'S OFFICE

The Governor's office is both a kind of "super-agency" and a kind of "catch-all" agency, inheriting functions which either do not fit elsewhere or which have inherent conflicts in role (example: The Public Defender would be suspect if under the Department of Law and the state's chief prosecuter. There is also a tendency to place "advocacy" agencies in the Governor's Office, since their role of advocacy may clash with line-service roles and since their actions shape basic new policy.

Obviously many functions of the Governor's office have an impact on rural policy, but a few have a very important policy shaping role.

They are:

--POLICY DEVELOPMENT AND PLANNING
  --Coastal Zone Management Subagency

--OFFICE OF TELECOMMUNICATIONS

--GROWTH POLICY COUNCIL (Office Lt. Governor)

Other agencies of the Governor's Office have a very definite but special role in rural policy, such as the HUMAN RIGHTS COMMISSION and CRIMINAL JUSTICE PLANNING COMMISSION. The Office of International Fisheries and the state's trade office functions in Denmark and Tokyo could have an important rural relationship in regard to facilitating private economic initiative.

The Division of Policy Development and Planning can have a large impact on rural policy, and especially on rural private economic development. However, DPDP is an agency that must maintain a very broad planning perspective, and must carry out functions that must make it at times an "adversary," as opposed to an "advocate." An example may be the agencies difficult role in Coastal Zone Management, where it may have to oppose local demands (such as current differences over the North Slope Borough's proposed Coastal Zone Plan).

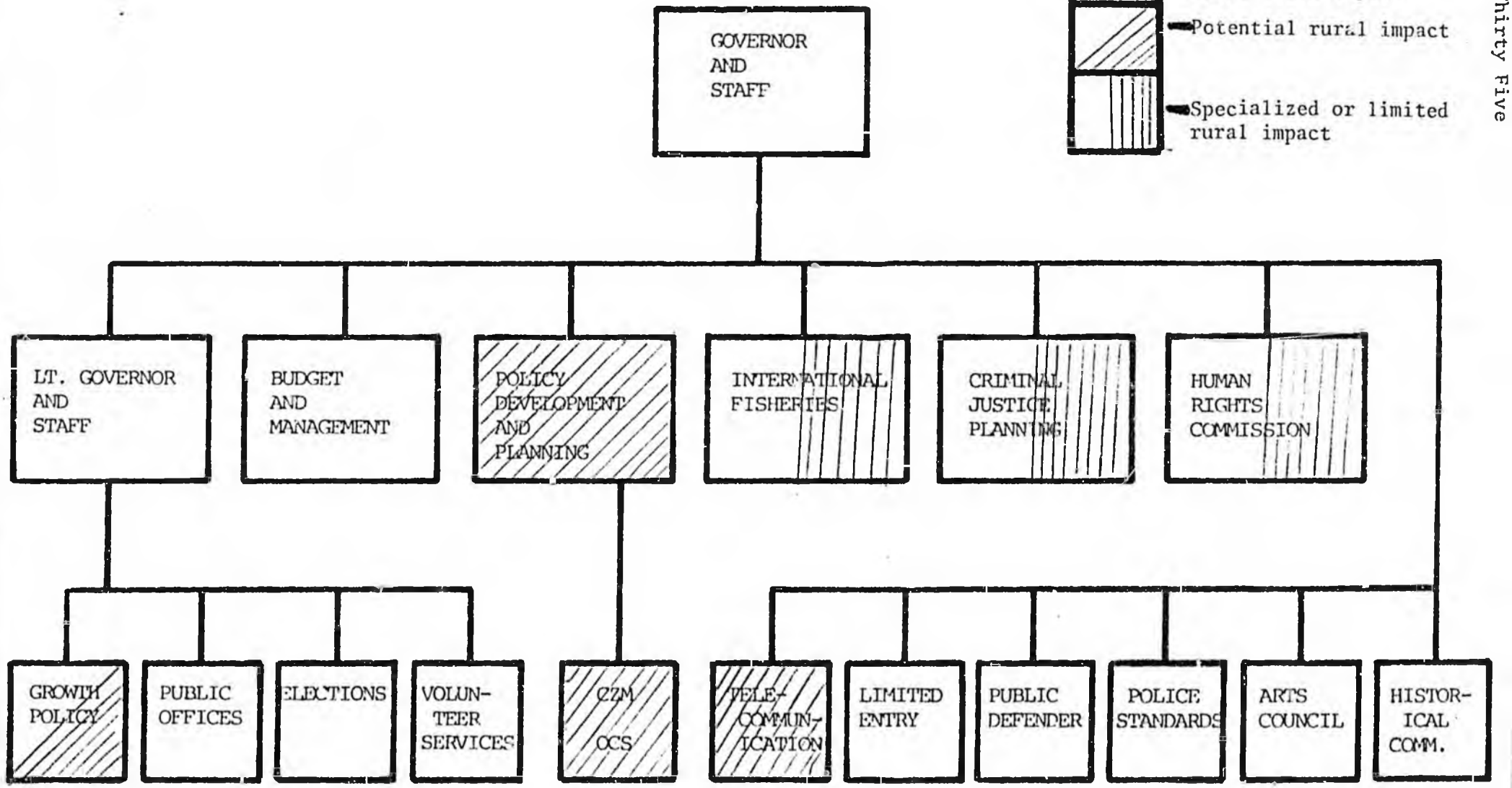
DPDP must also be broadbased and have continual involvement in all sorts of policy, including rural policy, and for that very reason DPDP may not be able to act as a genuine rural economic advocate.

Telecommunications is an agency in the Office of the Governor that has functioned as an "advocate" in terms of rural communications issues, and general Alaska communications issues in recent years. Telecommunicat- could have been assigned to DPDP, but it is doubtful if DPDP could have specialized and have acted as "advocate" as did the Office of Telecommunications.

OFFICE OF THE GOVERNOR



- Significant policy and/or rural field impact
- Potential rural impact
- Specialized or limited rural impact



DEPARTMENT COMMUNITY AND REGIONAL AFFAIRS

The Department of Community and Regional Affairs Department has the responsibility to meet the state's responsibility to render maximum assistance to government and the community and regional level. The Department is therefore not necessarily a department charged with "maximum" rural obligations. However, the department is perceived by many policy-makers as a Department with special rural obligations, and the department also perceives itself to a certain extent in that manner. The charge of the department places CRA in a position of assisting in rural areas where government is small, inadequate, lacks professional management, and in many respects acting as "subsitute" government where non exists at all.

The Department has five divisions:

(1) Administrative Services
(2) Manpower
(3) Community Planning
(4) Local Government Assistance
(5) Community and Rural Assistance

The Department also is the seat of policy groups or commissions such as: 1) THE STATE BOUNDARY COMMISSION, 2) MANPOWER COUNCILS, and more recently 3) THE PRIVATE INDUSTRIES COUNCIL (PIC).

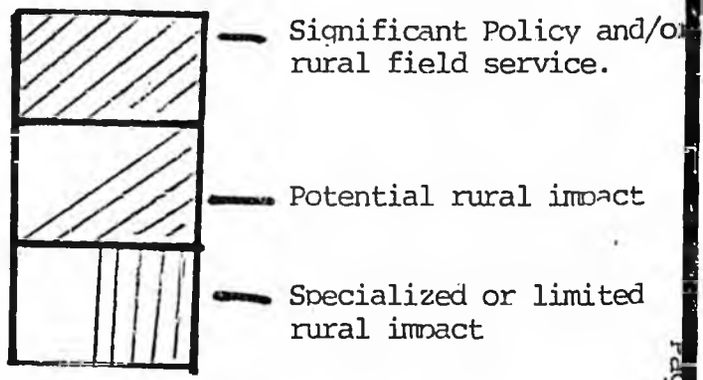
The Department maintains offices in key rural centers, and operating programs such as the rural assistance grants projects, has a valuable rural outreach.

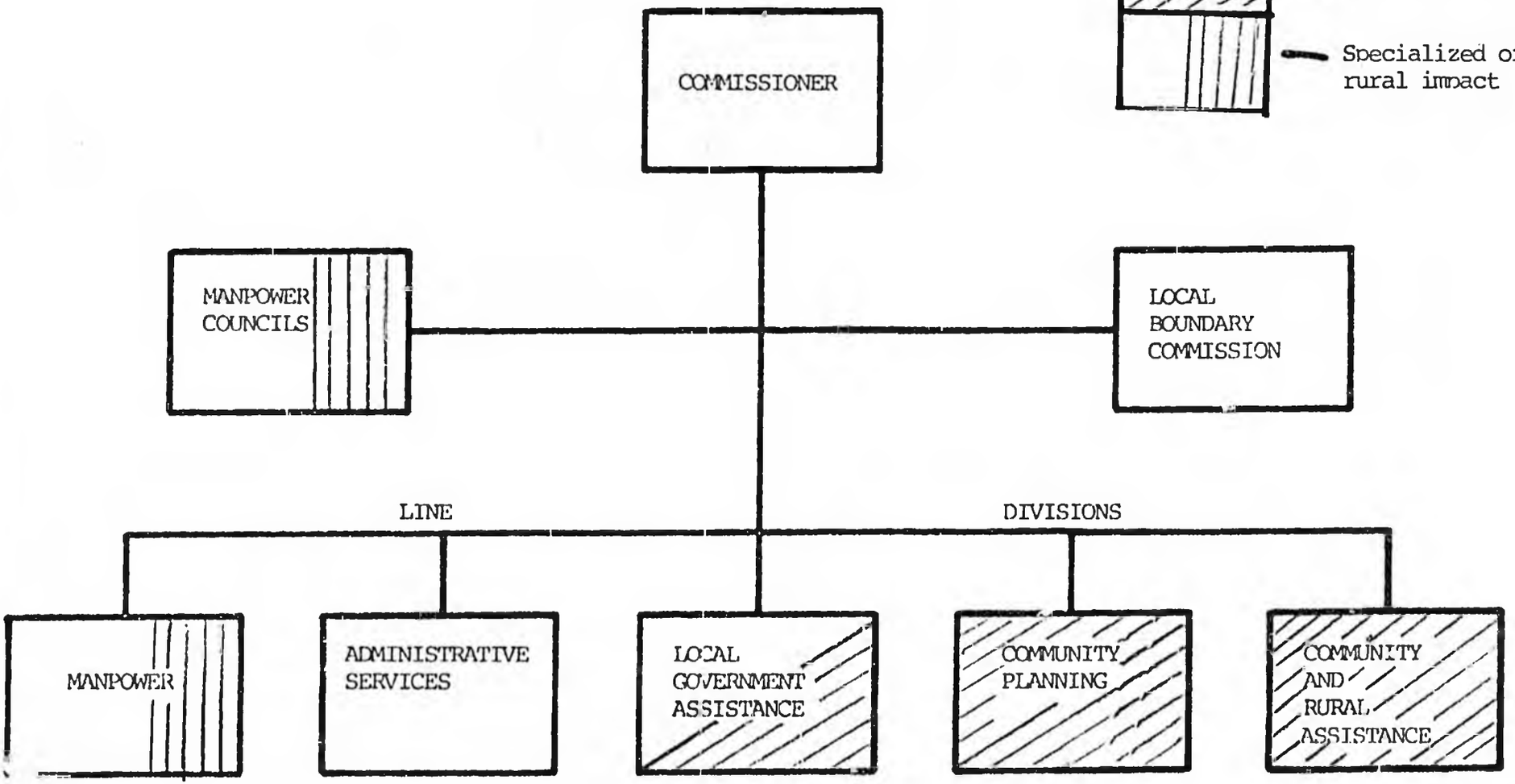
CRA now has an important rural presence and as rural Alaska wrestles with difficult local government problems, the department will have an even more important role. However, the future demands of local government in rural Alaska will tend to specialize CRA in the government area, creating new obligations that will tax its resources in maintaining its program service obligations.

The department is now presently small with primary rural responsibility placed in its community planning function, local government assistance function, and rural assistance and grants program. CRA will be an important partner in economic advocacy in rural Alaska, and it is likely in that process that whatever structure is designed as a rural economic advocate, will likewise be an advocate of maximizing CRAs program and service functions.

Community and Regional Affairs, although quite small compared with other departments, must be selected as one of the four to five departments with significant rural policy and field obligations. The Department has also the most "generalized" functions of those rural agencies (as compared with Transportation, or HSS) and therefore the Department may be a likely nominee for a lead-functionary among program-service agencies in bringing together coordination in the field on economic projects.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS





DEPARTMENT OF TRANSPORTATION AND PUBLIC FAILITIES

The Department has the largest number of employees in state government. Many employees are either in planning and construction, or maintenace along transportation systems connecting major urban centers, but nevertheless, a sizable number of employees are represented in rural areas.

The Department has four major units:

1) Administration
2) Design and Construction
3) Maintenance and Operations
4) Facility Planning and Research
**Trabsportation Planning (Office of Commissioner)

The Department is very important to rural areas because of its planning and development of rural transportation systems, its planning and development of facilities, and its maintenance of such facilities. In both areas the department has critical possible SUPPORT and EXPERTISE to offer private development in rural areas.

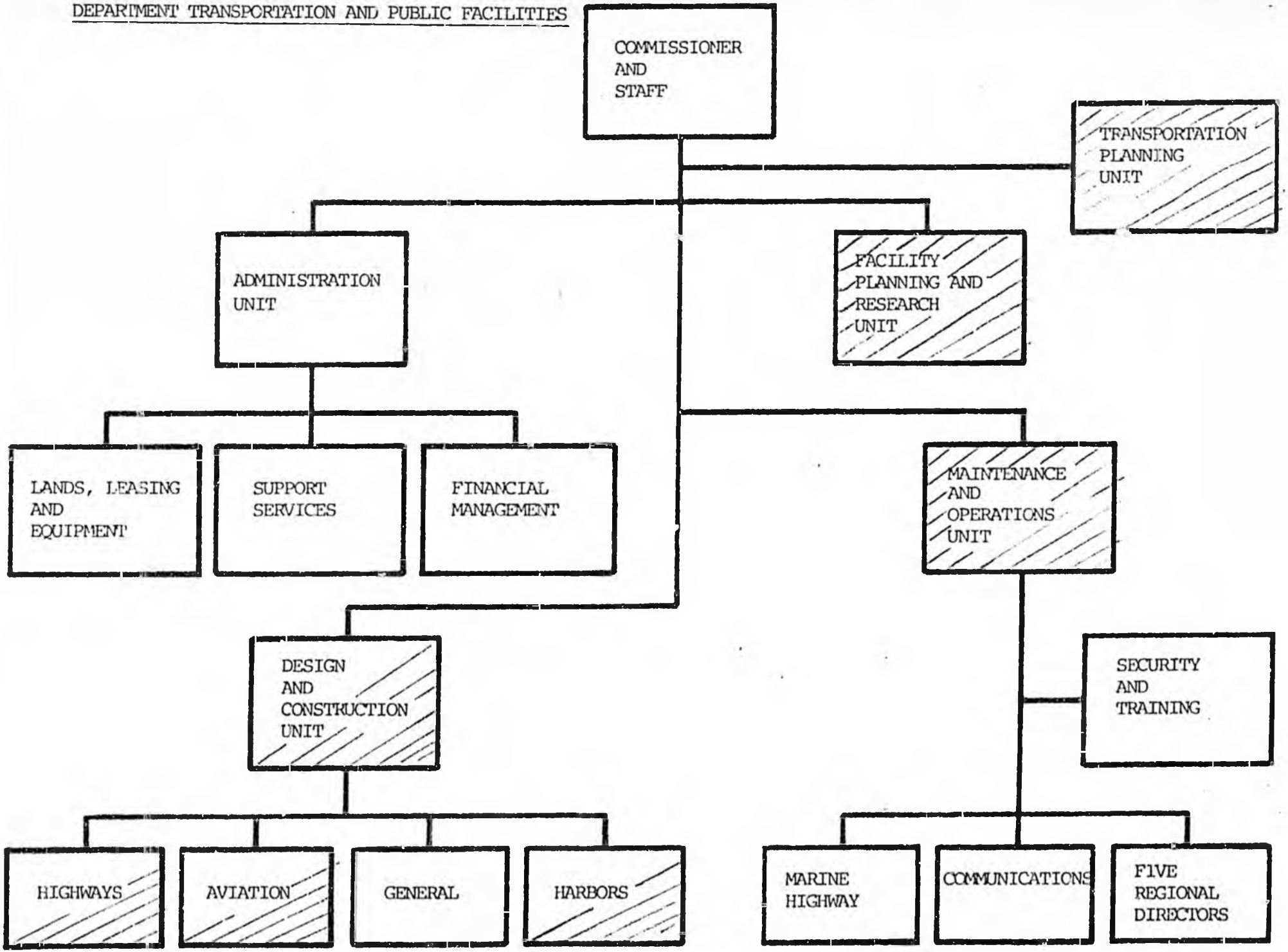
DOT important rural functions are:

1) TRANSPORTATION AND FACILITY PLANNING: Important in terms of possible coordination and support of rural development in the private area.

2) MAINTENANCE AND OPERATIONS: A valuable field staff with rural experience.

3) DESIGN AND CONSTRUCTION UNITS: Important in building to rural needs. A source of practical development experience for rural projects.

DEPARTMENT TRANSPORTATION AND PUBLIC FACILITIES



DEPARTMENT HEALTH AND SOCIAL SERVICES

The Department is the state's second largest department and is perhaps the largest in terms of employees functioning on the field level in rural areas of the state.

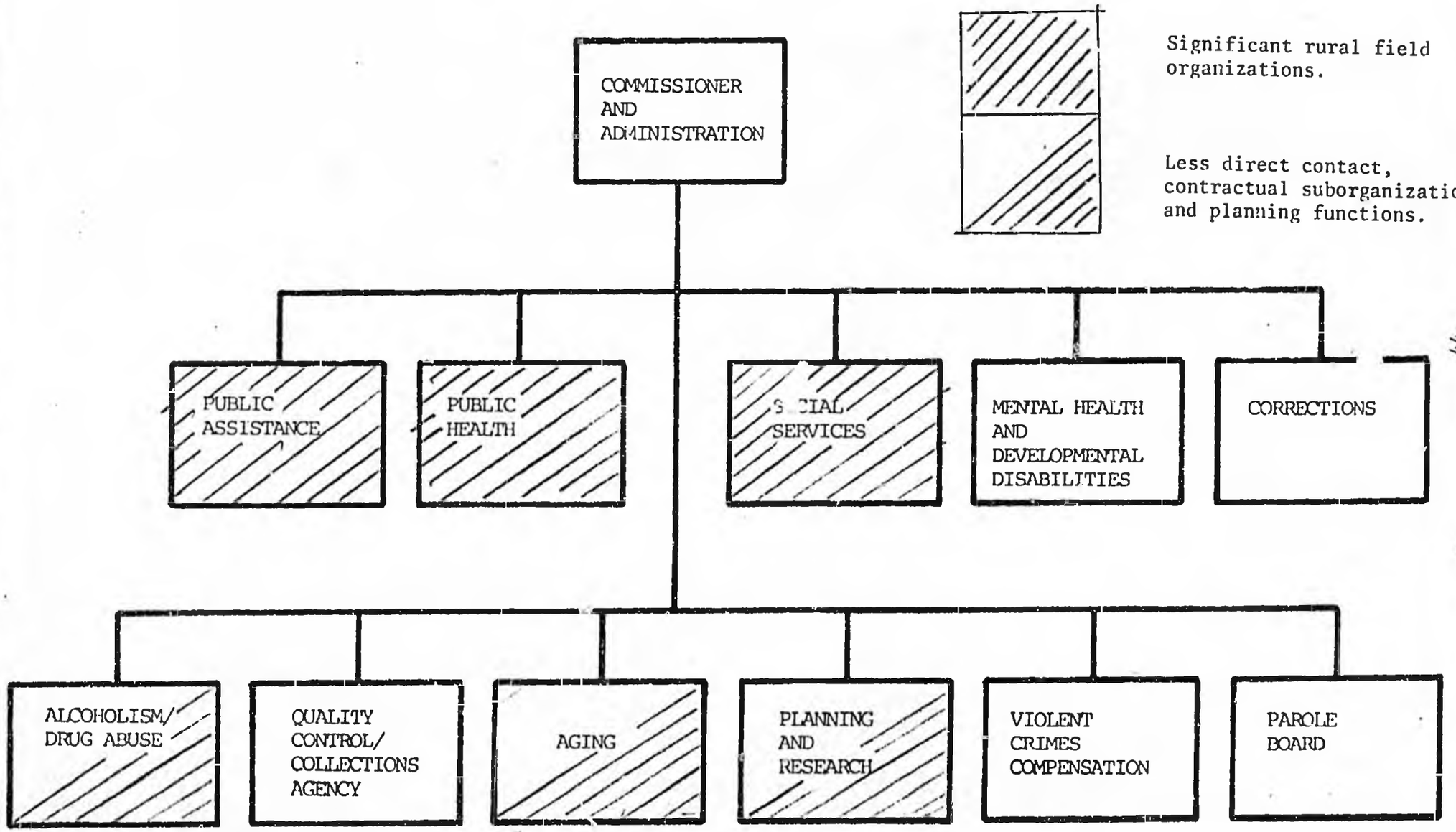
HESS has rather specialized program functions, but in any effort at developing a coordinated rural awareness and effort, the fact is that the department has the most strategically placed field staff. The contact of the staff with communities is also reasonably frequent and regular. The Department is also contact and program involvement with a great many rural Alaska non-profit corporations that deliver various kinds of contract services.

Ironically the department with this "largest rural presence" is the department that is charged with putting on the social and economic "band aids" in an almost futile attempt to patchup the results of decades of economic and social deterioration.

The key field divisions are: PUBLIC ASSISTANCE, PUBLIC HEALTH, SOCIAL SERVICES, and less directly ALCOHOLISM, AGING, and PLANNING AND RESEARCH.

Despite the seeming gap between HSS programs and the function of an economic initiative, it may be important that the department be included among departments that would be partner to economic initiative.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES



DEPARTMENT OF FISH AND GAME

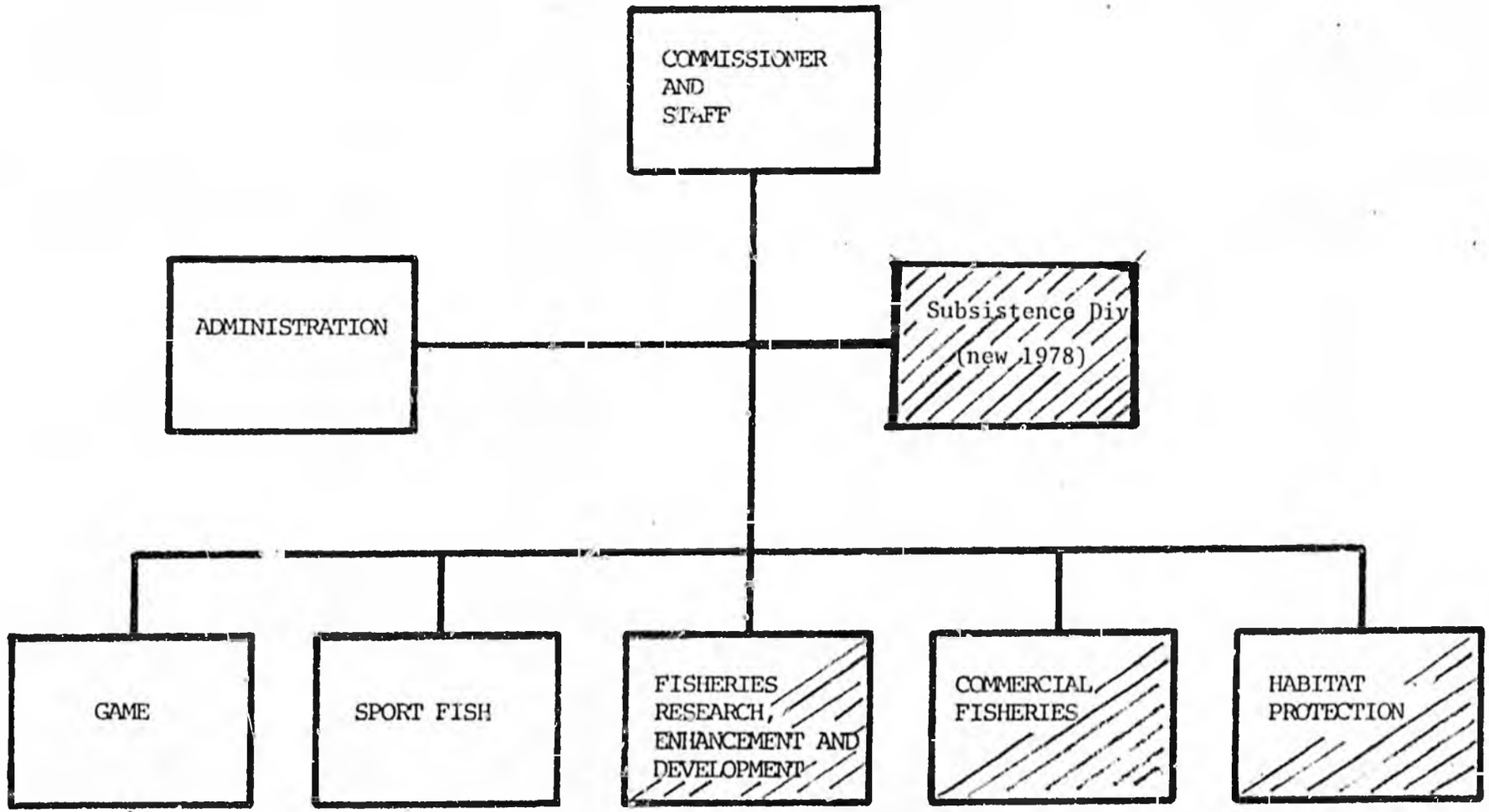
The Department of Fish and Game has a sizable rural staff, but one which has rather specialized functions in most cases. The Department has five principal divisions: GAME, SPORT FISH, COMMERCIAL FISHERIES, HABITAT PROTECTION, FISHERIES RESEARCH, ENHANCEMENT, AND DEVELOPMENT, and a sixth unit added in 1978 to deal with SUBSISTENCE.

Fisheries Research and enhancement, commercial fisheries, and habitat protection all can be involved in rural issues and problems. However, in terms of an expectation of "early" advocacy, the divisions may have a conflict in role, since they must police and question various proposals made against their primary spheres of interest. Such units cannot be expected to be policeman, evaluator, and advocate.

The subsistence division implemented in 1978 for the first time created a unit within the department that was broadly oriented towards a rural issue --use of the resource for subsistence. The broad charge of the division has also equipped it to function more in the role of advocate of rural needs than other departmental units.

It may be in a rural economic initiative that the Subsistence Divison might prove an effective coordinator between other units and external structures involved in rural development.

DEPARTMENT OF FISH AND GAME



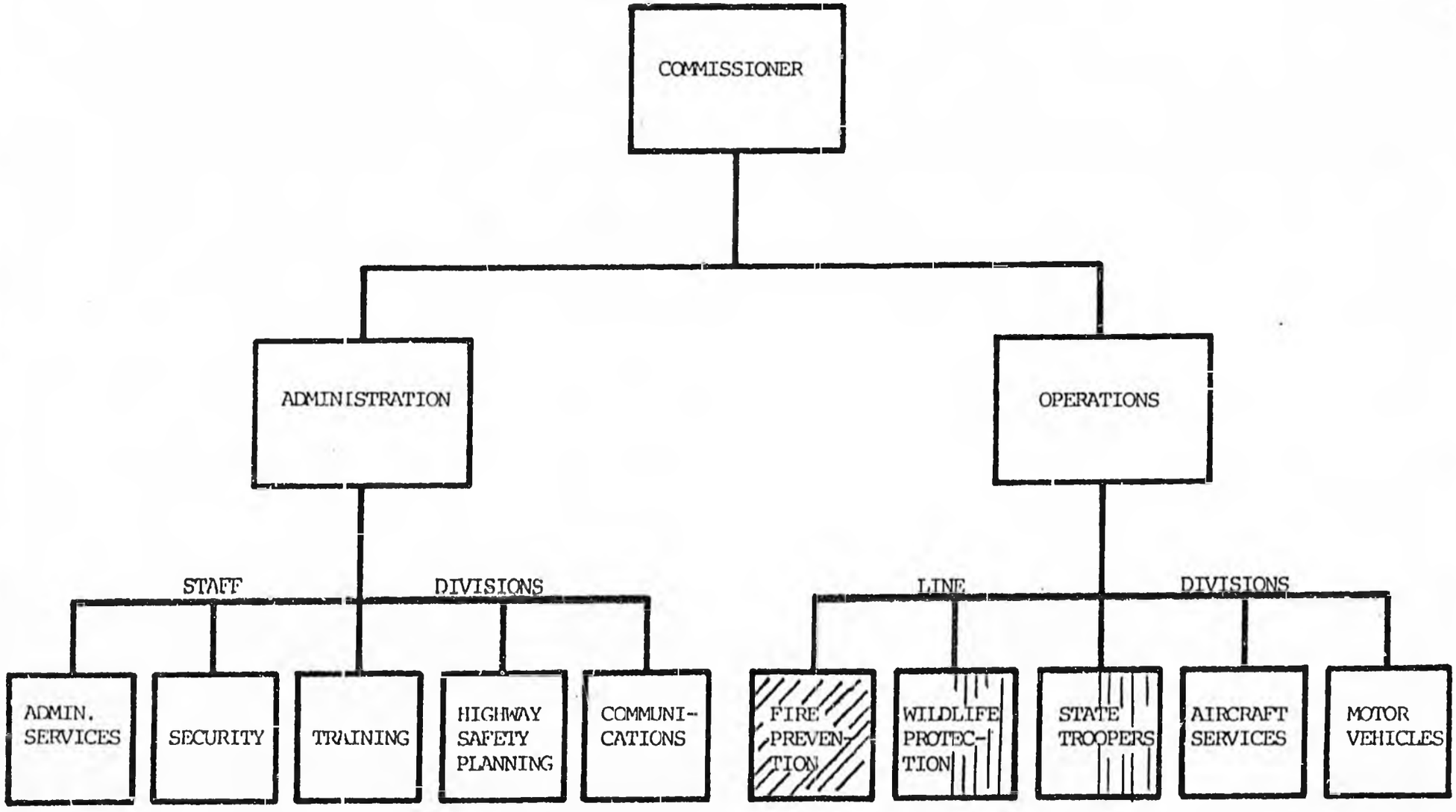
DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety is perhaps the most field oriented department in state government. The department is literally a field agency. However, while the department has an excellent rural spread of employees, and an excellent communications network, its specialized police function removes it from being a functional part of any rural coordinative unit. The role of the department is simply inherently different from development functions.

The department also operates the division of Wildlife Protection, and while this unit is extensively rural oriented, it has even a stronger conflict.

The division within Public Safety that could have significant rural impact, and become significant rural advocate in terms of community development and protection, is the DIVISION OF FIRE PREVENTION.

DEPARTMENT OF PUBLIC SAFETY



DEPARTMENT OF NATURAL RESOURCES

The Department has a small rural field operation, and that field operation is largely through the state's expanding development of park facilities. The Department is not a rural field "operative," but is and can be a significant department in terms of policy that can impact rural lifestyle and development.

The Department has primary say in disposition and/or management of a large portion of the state's surface and subsurface resource wealth.

Key divisions with rural policy impact in the department are:

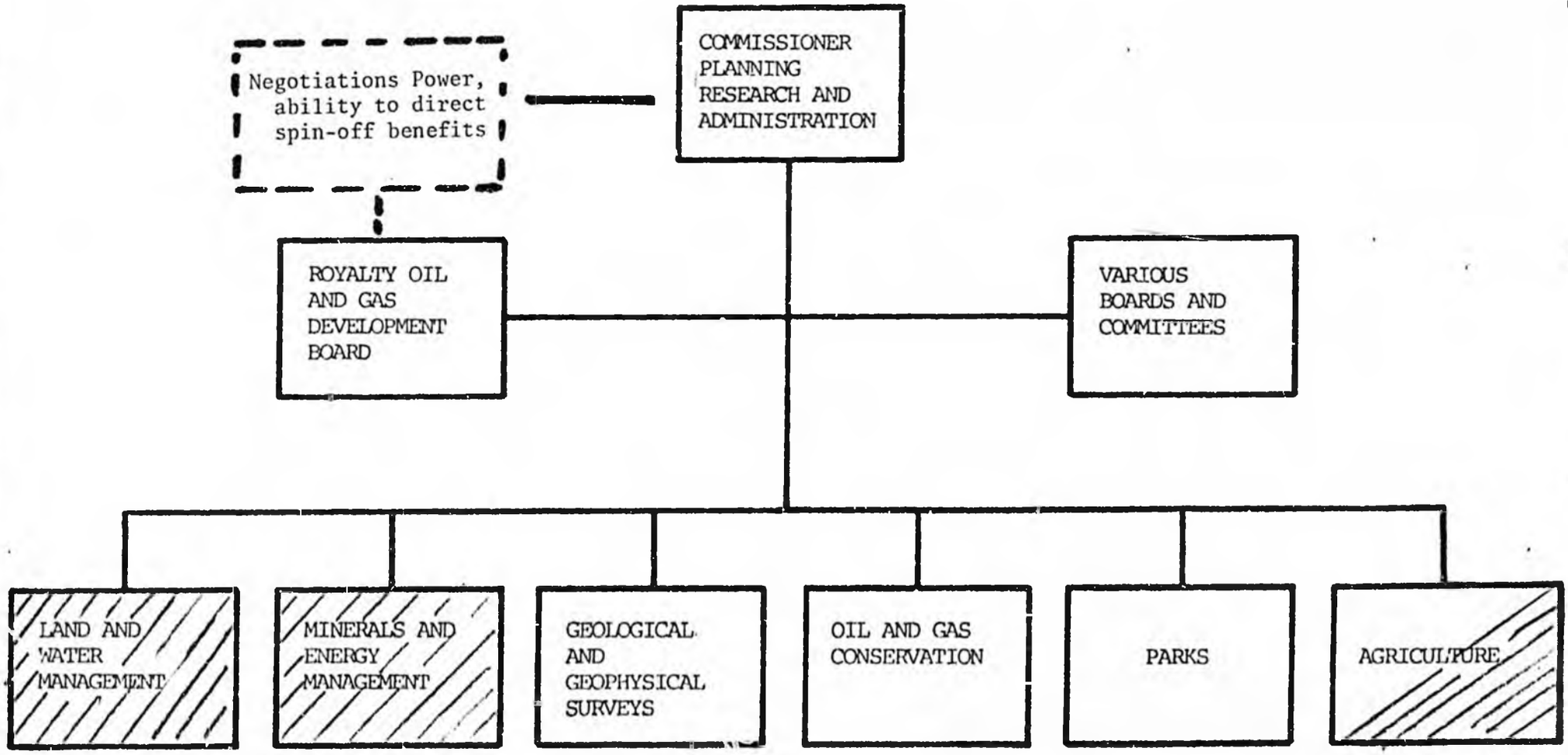
1) LAND AND WATER MANAGEMENT: Management and disposition of state land and water resources. This division can have a positive impact on cooperating with community projects, and/or cooperating with native land management and development.

2) MINERALS AND ENERGY MANAGEMENT: Manager of the state's oil disposition (together with Oil and Gas Conservation).

3) AGRICULTURE: Charged with Alaska agricultural policy, which will have an expanding place in the Alaska economy in the next quarter century.

The Department has tends to be the lead negotiator in major resource contracts of state leased resources (Alpetco, Gas Pipeline, as well as the specific resource lease). This role involves delicate decisions that concern spin-off, or soft benefits, and as a result the department could have a crucial place in determine whether "macro-scale" projects in some manner can be made to benefit or underwrite the "micro-economies" of small rural communities.

DEPARTMENT OF NATURAL RESOURCES

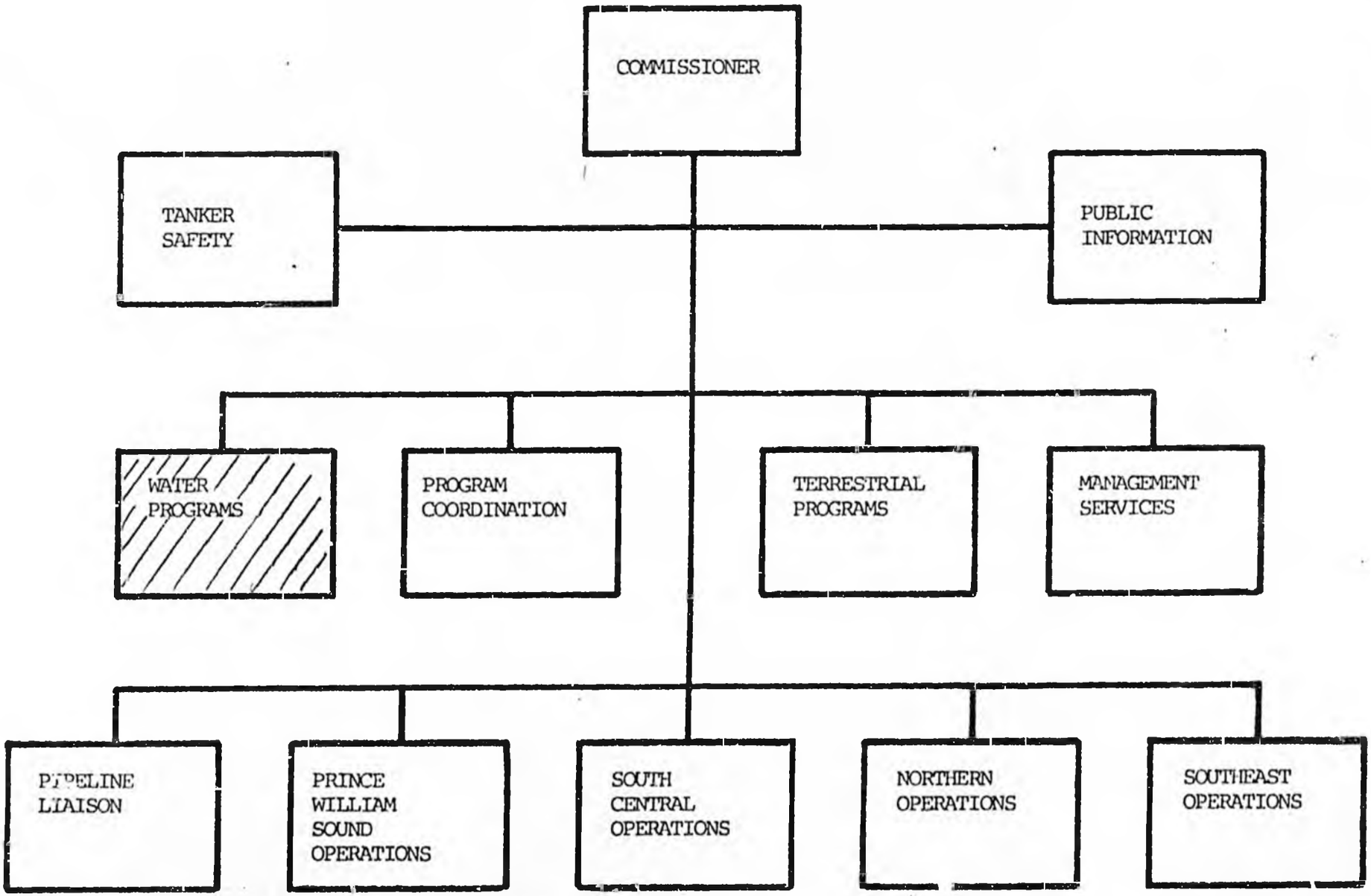


DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The department is small and has responsibility for maintaining the state's environmental quality. As such DEC must be both the operator of several service programs and the state "advocate" of the environment. Such a role of advocacy would appear to prohibit to a certain extent its participation in rural economic development initiative. This is not to suggest DEC could not participate in coordination and attempts to speed consideration of a project. However, the DEC could not be expected to be THE ADVOCATE.

DEC does administrate the state's program of small community water and sewage development. Such programs are essential to rural community development, and could relate to private economic development. DEC must act as developer and policemen at times, and faces some conflicts in the sewer and water area. DEC must be the critic of systems at times to the extent that a technology is not realistic within the framework of a small rural community. The department can in such circumstances recommend the subsidy of systems, but this may reflect interdepartmental conflict since the agencies policemen role may lead to compacting its own future budget, and/or developing complicated utility projects that pull DEC into management to the extent of being perhaps undesirable and secondly the type of situation no bureaucracy will volunteer for.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION



DEPARTMENT OF EDUCATION

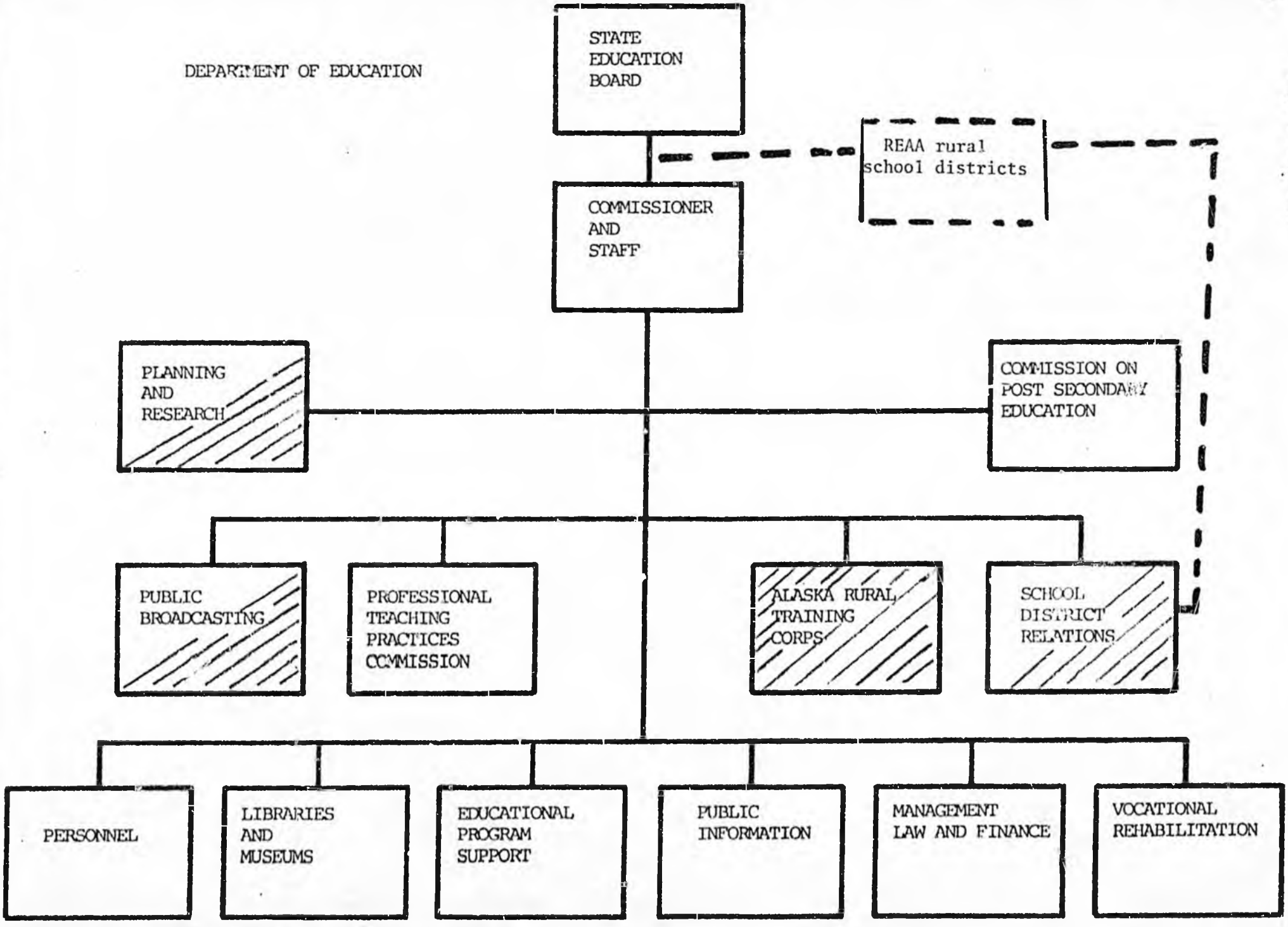
The Department of Education no longer has a direct rural field operation as it did up until the creation of rural independent school districts (although 100% state supported).

The REAAs could be treated as an offshoot of the department, but since they also represent a very significant element of region-wide locally elected government in rural Alaska, they are best treated as seperate entities.

The significant divisions of the department therefore are the ALASKA RURAL TEACHING TRAINING CORPS, SCHOOL DISTRICT RELATIONS, PLANNING AND RESEARCH, and the PUBLIC BROADCASTING COMMISSION.

The Public Boardcast Commission has significant rural impact, since that agency is in charge of expanding public roadio stations in the rural areas of the state. The stations provide a unique sense of community contact in rural Alaska and provide a vital communications link.

DEPARTMENT OF EDUCATION



DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

The department is a merger of the old Department of Economic Development and the Department of Commerce. The Development function has largely become the Division of Economic Enterprise, which carries out some research and keeps basic state economic data.

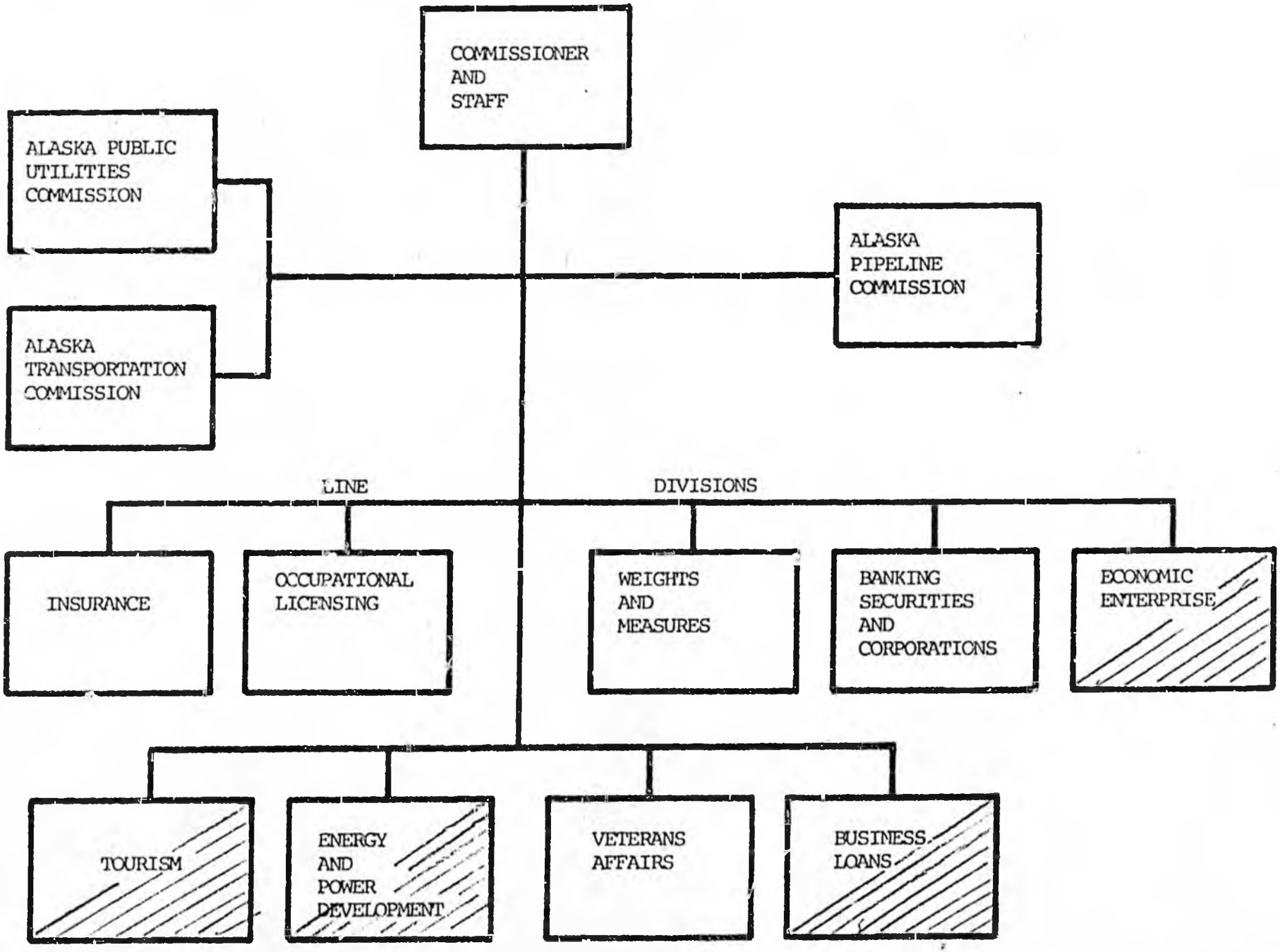
However, the department could take on substantial rural interests if the state becomes the department to which a variety of state loan programs are assigned under the current condition of excess revenue. The department already operates the state's business loan program.

The department could also take on various roles in terms of management assistance to development corporations, and could become "home" in the event rural conditions required an occassional "state corporation" to carry out certain functions.

Commerce to date has been something of a collection of state regulatory and licensing functions. However, in the future the role of the department may be well worth considering as a partner in carrying out a rural economic initiative.

Development related authorities, although more independent, tend to be attached to Commerce. Currently the Alaska Housing Authority, the Alaska Housing Finance Corporation, Alaska State Development Authority, and the Alaska Power Authority, all of rural development significance, are attached to the agency.

COMMERCE AND ECONOMIC DEVELOPMENT



OTHER STATE DEPARTMENTS

The other state departments do not carry out what might be termed either rural field operations or definitive rural policy.

The remaining departments are the departments of:

--REVENUE

--LABOR

--ADMINISTRATION

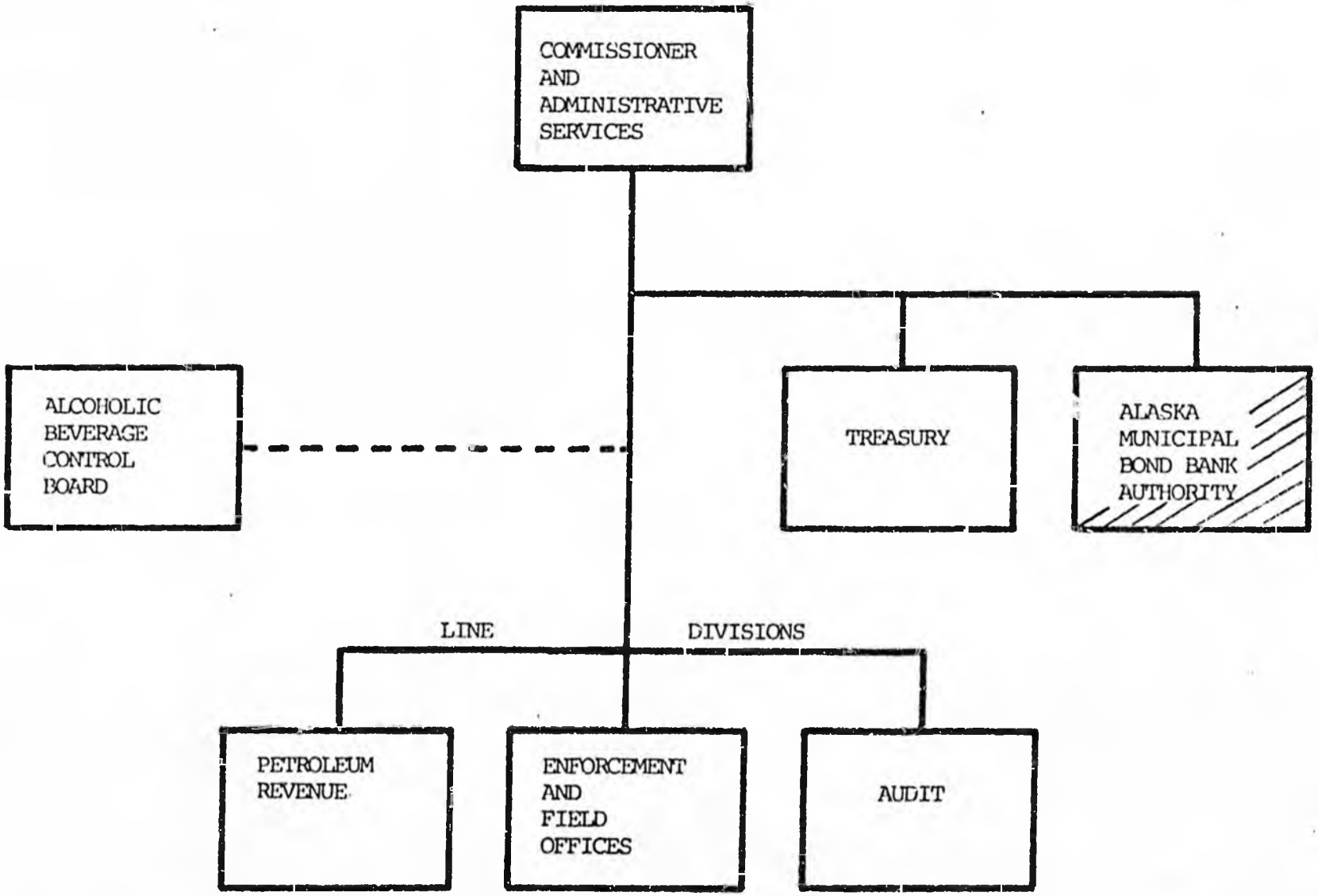
--LAW

--MILITARY AFFAIRS

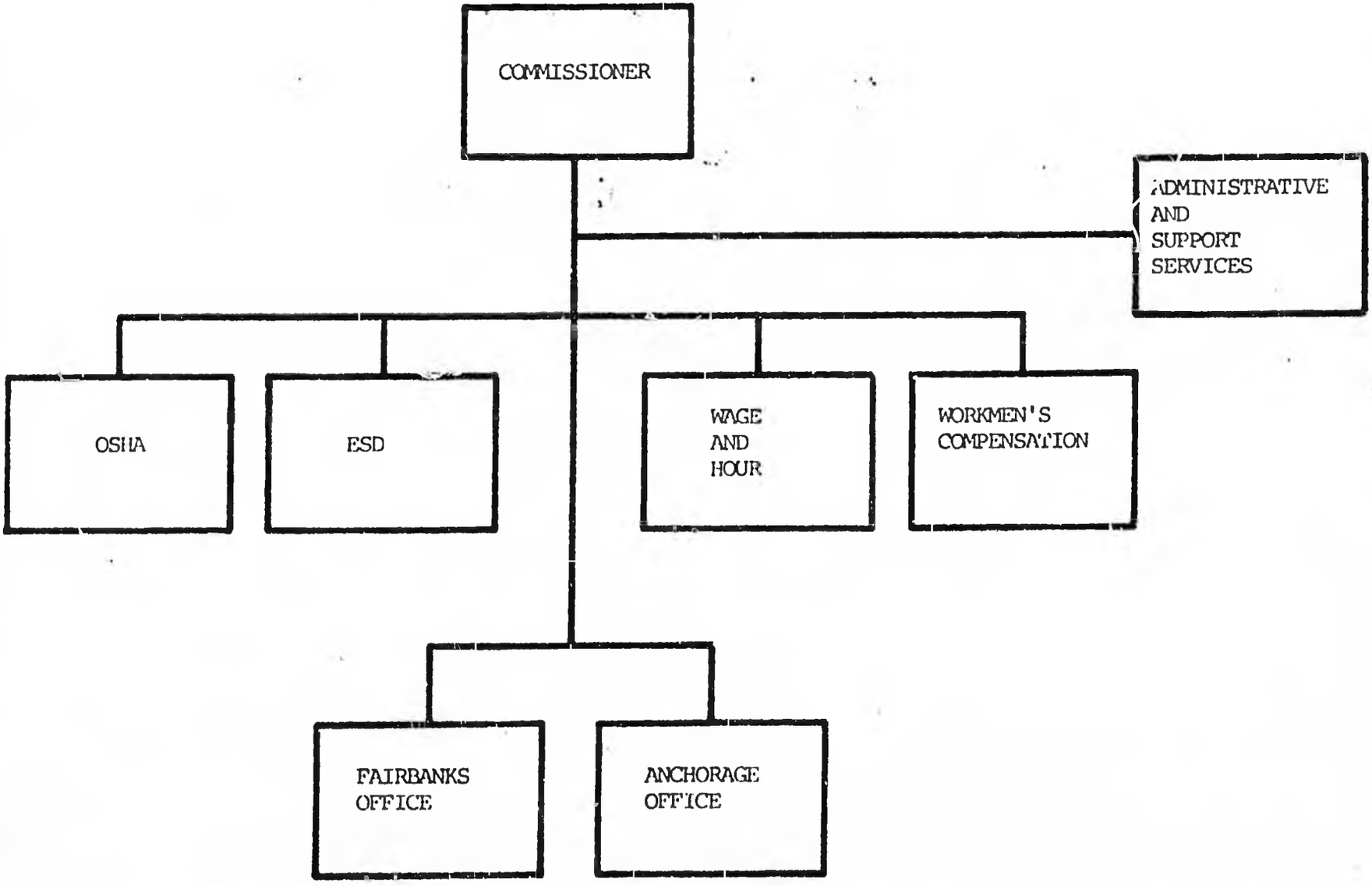
Each department has some rural functions, and several could at some point take on significance. For example, the functions discussed in relation to the Department of Commerce (loan funds etc.) might end up in revenue under new policy. Military Affairs includes the rural Alaska National Guard, and an active Department of Labor could have rural impact via innovative affirmative action programs.

It should be noted that one of the state's first corporate structures for handling a margin of excess revenues for investment, The Alaska Renewable Resources Corporation, was attached to the Department of Revenue (although independent in authority).

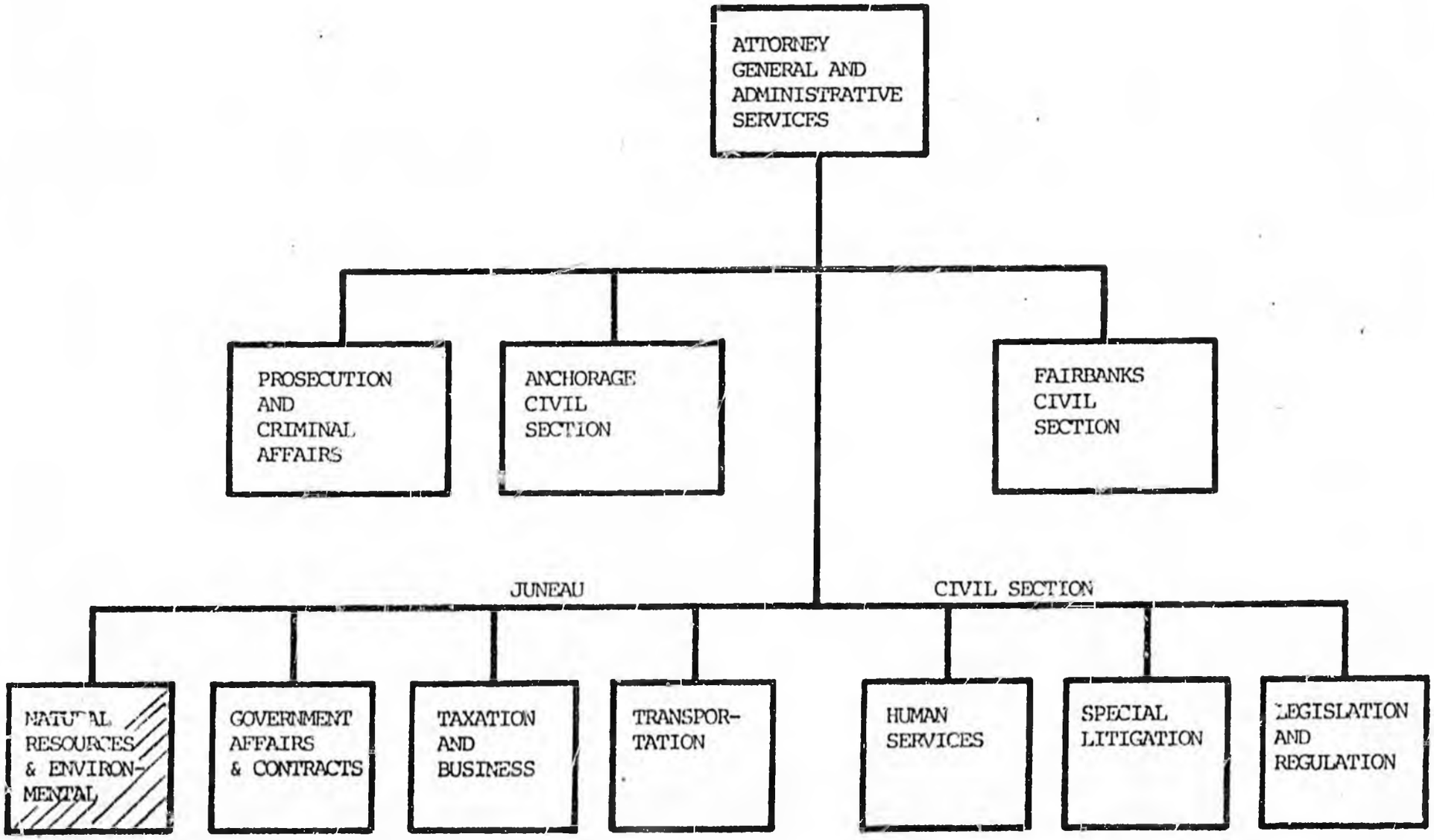
DEPARTMENT OF REVENUE



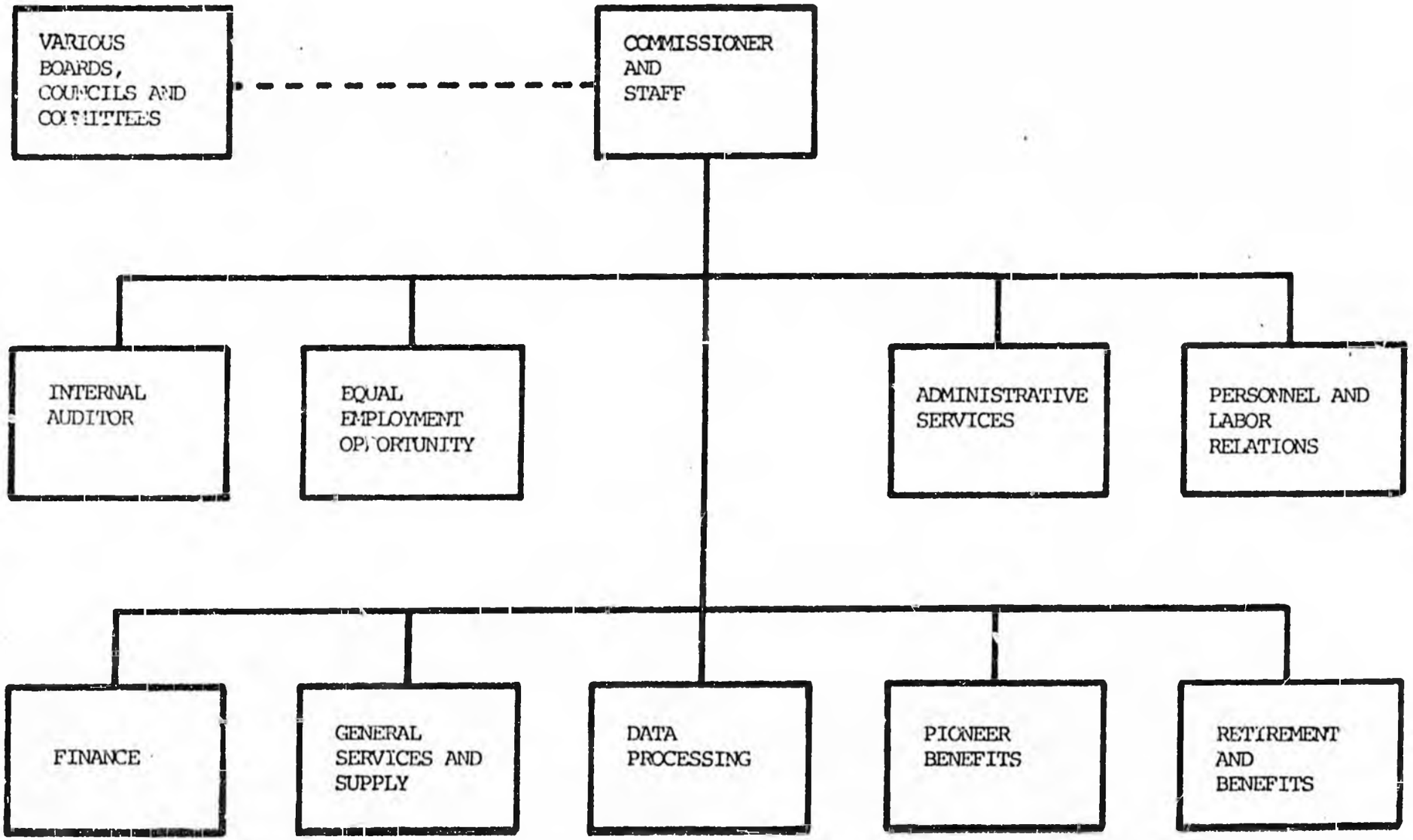
DEPARTMENT OF LABOR



DEPARTMENT OF LAW



DEPARTMENT OF ADMINISTRATION



OTHER SIGNIFICANT QUASI-STATE STRUCTURES

Two other organizations with significant rural organizations and/or impact which must be considered are:

--THE RURAL EDUCATION ATTENDANCE AREAS (REAAs)

--THE UNIVERSITY OF ALASKA (and Cooperative Extension Service)

The REAAs are significant in that they provide a framework of universal local government in rural Alask where there previously was no such framework. The function of the REAA is education, but regardless, it represents a source of input, decision making, and even possible administration from "duly elected" representatives of the public.

This paper does not suggest requiring REAAs to necessarily function beyond the educational function. However, in the past leadership and input in rural Alaska often came from non-elected leaders since there were no comprehensive other governments. The REAA structure now DOES PROVIDE for a source of input from "elected leaders."

Additionally, on a voluntary basis the REAAs could function as an administrative organization carrying out an assigned function, contract, or providing the framework for administration of some function on to a smaller and less able rural community. In any event, the REAAs provide a basis for rural regionalization, and a basis for a possible relationship to a rural economic initiative.

The University of Alaska has also grown into a statewide institution stretching from Ketchikan to Kotzebue, and functioning in rural areas through the Cooperative Extension Service attached to the university structure. The university in Alaska is also charged with post-secondary education delivery far beyond the "classic university." The university structure could prove valuable in training, management assistance, in technical assistance to communities, and in many other respects.

THE PRIMARY RURAL "FIELD AND POLICY" DEPARTMENTS

This review of state function and organization reflects certain key agencies which have useful rural field organizations. Those agencies therefore "stand-out" for selection in the sense the state's rural service organizations must be coordinated in relation to a rural economic initiative.

Agencies with primary field organizations are:

1) DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

2) DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

3) DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Agencies with primary policy impact:

4) DIVISION OF POLICY AND PLANNING (Office Governor)

PRIMARY RURAL AND FIELD POLICY DEPARTMENTS (Continued)

Agencies with secondary policy impact:

5) DEPARTMENT OF NATURAL RESOURCES

6) DEPARTMENT ENVIRONMENTAL CONSERVATION

Agencies with special rural relationship:

7) UNIVERSITY EXTENSION SERVICE

8) RURAL EDUCATION ATTENDANCE AREAS (REAAs)

STATE ADMINISTRATION TASK FORCE

The primary state agencies listed above are essentially a "de facto" rural problem task force and rural projects coordinating group (minus University Extension Service and REAAs)

Their role is a "de facto" one that exists whether formalized or not. The inherent responsibilities of the departments mean they can either function on a less formal basis, even to the extent of coordination via destructive "turf battles," or their existance and functional relationship can be recognized in any degree from simple "mutual recognition" and agreement to appointment to some highly institutionalized structure. It is likely in most instances that policy issues or projects will affect only a limited number of the above agencies.

THE ROLE OF STATE "RURAL DEPARTMENTS"

The previously discribed "rural" oriented departments can be marshalled to provide efficient new state service programs in rural Alaska. The structure of state government is simple enough in Alaska, and the structure of the departments in question is simple enough, to achieve coordination and cooperation. However, what is meant here is relatively "established" concepts of state services.

Next, as local government is created in rural Alaska, these respective departments likely can achieve a relative successful measure or cooperation in aiding that government, and in providing a measure of "substitution" where the local government framework is inadequate. It should be remembered that the difficult natural basis for local government in rural Alaska, may make the latter (substitution) the probable route for some years to come.

Last, we should recognize that the departments are primarily "service" departments with a broad range of responsibilities. Hence, their role as a rural advocate, or moreso, as a rural development advocate, may pose many conflicts. It is therefore likely that a structure designed for economic advocacy in rural Alaska must exist outside the departmental structure. Some seperate structure must be present to act as a rural advocate, leaving the departments free to cooperate and at times to oppose projects and proposals. However, the advocate must be present to push concepts into the policy forum.

Additionally, rural problems exist because their are a special set of problems, hence a special advocate. Hence, a rural structure is needed to isolate attention to those rural problems, but by nature that institution should be temporary and likely close to the seat of political policy.

Lastly, a rural advocate charged with the problems of developing a "private" rural economy, faces a sphere outside the usual provinces of government. Crossing into that opposite sphere is difficult, is likely beyond the capacity of routine departments with a myriad of other problems and demands, and will require a continued support and awareness of the makers of political policy.

Hence, a structure charged with rural economic advocacy will have to function seperate from the service departments, will likely have to remain free of "service" attachments of its own, will have to stand "between" govenment and the private sector, and will have to draw on a sustained executive/legislative political support (rather than a bureaucratic support).

The advocacy of rural development on occassion will be able to deal in "marco-size development," in attempts to tailor large projects to support rural needs. But by-and-large the structure will have to face the task of "micro" development, of thinking small for small communities, in terms of a half dozen jobs instead of a thousand jobs.

A STATE "ADVOCACY STRUCTURE:"

--FOR ALASKA RURAL ECONOMIC DEVELOPMENT

Already given C/RA mbrs

January, 1980

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This report suggests several alternative policy structures for guiding a special process of encouraging private economic development in rural Alaska, and for giving that process a "sustainable" emphasis over an extended period of time.

The suggested structures ARE NOT solutions in themselves, but merely represent functional vehicles that can help develop and sustain effort to create a private economic base in rural Alaska.

The proposals inherent in this report are based on the serious conditions of the economy of much of rural Alaska. Additionally, they make a case as to why the "present" might provide special conditions, resources, and a timeliness in attacking such difficult conditions.

PURPOSE IN THE BROADEST SENSE

In the broadest sense, the purpose of a special structure is to marshall, coordinate, and sustain existing and potential federal, state, and private resources capable of contributing to growth of a private economic base for the rural communities and regions of the state.

Further, the structure should provide a single focal point for involving rural Alaska people in the process. Such a structure would be a first attempt at building a state-relationship with Alaska rural development's mosy unique partner --the native land claims corporations.

The private land, capital, and social base of the rural village corporation represents a grassroots structural resource in itself. The availability of such a field level structure in a depressed region is a most favorable circumstance of infrastructure in such general conditions of third-world economic void. However, the state has essentially ignored the existance of the corporations and any inherent state interest in their success or failure.

Any structure must also address "community development" issues basic to a private economic base. However, care must be taken that community development does not dominate the structure, or tend to divert energy from more difficult to resolve economic tasks.

The most important purpose of a special structure must be a strong "missionery dedication" to creation of private economy in rural regions.

THE SPECIAL "PRIVATE" CHARACTER

Two basic features of the mission of rural development in Alaska appear to justify a special structure og government, whether that structure is temporary or permanent.

First, the charge to generate a "private economic base" is not a familiar role of government. Second, responsibilities of such a policy effort tend to overlap the established categories of government programs.

THE NEED FOR SPECIAL EMPHASIS

Special emphasis to a problem outside the bounds of traditional government services is difficult to achieve for line-agencies. A mission may be so critical, and so varied, that indeed it MUST OPERATE BEYOND THE BOUNDARIES OF TRADITIONAL SERVICE AGENCIES. But architects of such things "beyond" the bounds of those service agencies, often fashioned as so-called "coordinators," must concede that more often than not, such creations become quickly isolated and powerless to carry out their tasks within government.

A purported "special structure" cannot hope to invade the "turf" of entrenched agencies, unless first the legislature is thoroughly convinced of the depth of the target problem, and secondly unless the state executive is equally convinced.

In order to avoid the inevitable muted-isolation of such a special structure, the construction of the unit must build in strong political backing and involvement. Such backing is essential precisely because such a structure is being asked to INTERFERE WITH THE ESTABLISHED ROUTINES OF OLD LINE AGENCIES, or is being asked to "reach" where they cannot reach.

Confronted by an "outside structure" charged with coordination, or the like, an established line-agency will generally take the easiest path. Generally that easiest path is to resist outside interference. Only if there is a very strong commitment in high level policy ranks, or after an agency gets its fingers slapped, will traditional agencies opt to "cooperate," since that then becomes their "easiest path." In other words, in constructing a special structure policymakers must analyze how to give a separate structure special "clout."

A special structure, in commission or agency form, and whether permanent or temporary, cannot be justified unless lawmakers are convinced of the following:

(1) . . . that the economic problem in rural Alaska is catastrophic in scope, or lacking that extreme;

(2) . . . that the mission does not fit traditional program agencies, or spreads beyond the bounds of a number of agencies;

(3) . . . that the problems require a special emphasis, or perhaps are problems easy to slide off for "future action," therefore tending to submerge the mission under the day-to-day crisis of a department.

(4) . . . that the problems are so serious and complex that a line agency lacks the "clout" to deal with the issue, or to initiate action and propose solution without special political backing.

(5) . . . that the mission is genuinely not to "run program," but rather to coordinate and provide muscle for other existing state programs and resources, and to provide the same between government and other institutions (federal, state, local government, non-profit, private).

Additionally, inherent in many of the foregoing criteria is that a special rural development structure should be cast in the role of "advocate." The role of advocate could pose inherent conflicts within some departments, and in the case of a planning agency may compromise that agency by presupposing the outcome of careful planning work. The role of the planning agency may require a very close partnership with the advocate agency, but the planning agency may be something of an alter-ego partner, being required to occassionaly criticize and oppose the more active advocacy of its alter-ego partner.

THE MEASURE OF THE ALASKA "RURAL ISSUE"

The measure of the problem of "rural economy" in Alaska measures very high against most of the previous criteria. Individuals may differ in assessment of degree of the problem, or in the nature of solution, but few are likely to disagree that the condition of the state's rural community economy is indeed catastrophic and has been for more than three decades.

From another view, economic events of the past several decades in Alaska have wrought tremendous growth and changes in urban Alaska. But the economic gap, as well as the sense of alienation between urban and rural Alaska, has widened. This division also tends to follow unfortunate racial lines among Alaskans.

The economic contrasts of rural and urban Alaska presents a picture of prosperous urban islands floating in a sea of rural economic depression.

Whatever the cause or whomever, if anyone, is to blame, the economic condition of much of rural Alaska is undisputably a human tragedy and an embarassment to our democratic economic systems.

SPECIAL OPPORTUNITIES OF THE PRESENT

It is difficult for our system of government to reach into the private economic sector and participate in constructing economic equity. The independence and separate dynamics of our government systems and our private economic systems do not always relate to each other. However, in critical times our systems, while perhaps slow to respond, have generally proven able to rectify glaring inequities.

Looking for the means to build a public/private relationship, a case can be made that unused federal resources are available. Additionally, it appears that federal economic policy is shifting to emphasize priority policy: . . . that only "private jobs" can resolve severe economic problems in the long run.

Present federal policy is shifting resources to rural and development initiatives that stress private development and private employment. These so-called "White House Initiatives" hold out great opportunity to those who are ready for them, for those who can put them together with other available resources, and for those like Alaska, that have a genuine underdeveloped rural base that is starved for "risk capital."

CURRENT ACTION

Recognizing the federal opportunity, the Alaska Legislative Budget and Audit Committee, together with the State Administration, has been working to put together a series of federal/state agreements designed to coordinate federal economic resources through a single federal lead agency, and to put that agency together with a state working counterpart.

The effort would be to coordinate federal resources of value in a rural economic initiative, to maximize those resources, and to clear federal/state barriers to development (regulatory, etc.) on a timely basis.

The state working counterpart would be WHATEVER SPECIAL STRUCTURE THE LEGISLATURE AND EXECUTIVE chooses to approve (which is the primary subject of this report).

PRIVATE RESOURCES

A case can be made also that private resources are now available for rural development that were not present in the past.

The native corporate structure has matured and gained experience in the last eight years. The capital assets of the native corporations, and especially the village corporations represent a "resource" that should be assisted by state and federal development policy.

However, the capital of native corporations in many respects is no different than any other capital. Despite the fact such capital has a social base in the form of resident community stockholders, such capital must still find and/or develop viable projects which offer both reasonable security of the investment and adequate return. It must be stressed that under the law, the native corporations ARE NOT social welfare organizations, but are established as profit making private corporations. They have the same problems in facing high risk frontier development as other corporations, except that their personal motivation to "do it" in the face of higher risk is likely stronger. However, it is possible that the proper use of state and federal resources, in conjunction with native corporate resources, might be able to reduce risk to native capital and encourage the flow of such assets into rural development.

The current proposal to pre-pay the remainder of the state's obligation under land claims settlement will also add significantly to the financial base of native corporation capital. Such an action may be the single largest, and the simplest action, the state can take in regard to rural development.

The private land and resource base that is a part of the land claims structure is also a significant factor in rural development. The goal of a state structure should be to help assist and direct capital to grassroots rural development, regardless of whether that capital is private, state, federal, or native, and to encourage the use of state, federal, and native land and resources in a coordinated fashion in behalf of encouraging a rural private economic base.

Additionally, Alaska financial institutions are now considerably stronger and more varied than a decade ago. They have stronger ties to outside institutions, and due to such world scale developments as Prudhoe Bay, new significance of fisheries resources, a capital and resource base from land claims, Alaska commands a respect far beyond the measure of its present economic production.

STATE RESOURCES

The chief asset of the state is its "position" to act as a focal point in bringing together available existing resources, and to apply to an effort to construct a viable rural private economy.

The state must be, and is the natural initiator of a search for, and a marshalling of, economic resources. Obviously, federal agencies do not come seeking difficult and often risky development efforts.

The state also has basic resources of its own to offer that it did not have a decade ago. The state has the ability to act as initiator of community services related to private development, such as utilities, transportation facilities, and technical assistance. The state has the ability to participate in capital, or to attack basic private financing issues such as fire insurance in rural areas. The state has a "field network" available through program agencies, which with proper coordination, could assist in both local community development and private projects.

The state also offers a superior basic structure with which to coordinate with federal institutional participants. The Alaska structure has a strong central line of authority leading from the governor, and is vastly different than the fractured multi-elective structure that exists in many other states.

THE ALASKA DIFFERENCE: LENGTH AND DEPTH OF COMMITMENT

Alaska requires a long-term commitment to rural economic problems. The state's rural problems are not a result of recent economic recession, or existing sick industries, the problems are a result of more than a quarter century of economic collapse and difficult cultural adjustments. The Alaska effort may require the better part of a decade..

It is here --in length and depth of commitment-- where Alaska differs markedly from the manner in which other state's will approach the development of SPECIAL FEDERAL AGREEMENTS to enhance private economic development. A review of the few existing agreements, and potential agreements, indicates that the agreements appear geared towards one or two "priorities-of-the-day." They seem to carry a hidden presumption of temporariness about them, and lack a strong tie to "joint" executive/legislative commitment and development of intrastate mechanism to focus on more than the "issues-of-the-day." In this respect it is likely the initial motivation of Alaska is different from other states.

In reviewing the federal opportun :y for both the state to command and coordinate federal resources, there appears to be a significant opportunity for Alaska to be the only, or at minimum one of the few, states to approach the agreements with a much longer range view in mind.

Alaska has the opportunity to get the federal government committed to state rural development, committed to special treatment and coordination, and to keep that commitment going for a prolonged period. However, in order to command the long-term commitment of the federal government the state must first itself be committed.

As previously stated, economic initiatives under our separate public and private policy systems require a deep commitment to bridge the gap. In Alaska this means a commitment of the executive and the legislature, and further a broadbased commitment within the legislative body. Oddly, the effort must command the commitment of the urban legislator and the perception that the effort is also vital to the urban economies of the state.

Commitment of rural policymakers to such an effort is something to be taken for granted, with some exceptions. However, rural backing and rural development as a "rural issue, can isolate the effort as a regional issue, and one therefore elgible to be pushed, shoved, cut, threatened, bargained, and generally politically played-out in the precarious wars of short-term legislative policy. Unfortunately, long term issues requiring a breadth and depth of commitment, issues needing an expectation of sustainability over time, do not always fare well in the battles of more immediate political pie-cutting.

However, the commitment of urban legislators could provide the commitment to rural development the sustainability it needs. Urban lawmakers have an interest of their own in an expanding and healthy rural economy.

Previously Alaska was described as a series of urban economic islands floating in a sea of economic depression. Whether that picture is overstated can be argued, but the lesson of the protrayal cuts both ways. The picture not only reflects a non-existant rural economy, and all which that infers, but equally a precariously isolated urban economic structure.

The picture is one of precariously narrow urban economies based primarily on government spending, cycles of construction and singular resource development booms, and one of urban communities failing to develop themselves as broad commercial centers serving a growing economy far beyond their own borders.

In other words, for the state's narrow based and isolated urban economies, rural development is "urban development." It is not only urban development, but offers a strongly stabilizing ingredient for the urban economic structure. It is almost impossible to undertake development in most rural areas of the state that does not benefit the urban commercial centers. However, the converse is not true, since urban development may hold no benefits for rural communities.

Urban policymakers may also consider the long-range ramifications of continued neglect of a rural economy:

(1) . . . that the urban/rural economic contrast is both a serious ethical and functional problem for Alaska.

(2) . . . that the end-results of continued rural economic poverty tend to become urban social and economic problems due to out-migration into urban areas.

(3) . . . that in future general economic constrictions, urban unemployed will tend to outmigrate from the state, but that the rural unemployed, represented mostly by native Alaskans, are unlikely to outmigrate except to urban areas due to deep cultutal ties.

(4) . . . that while Alaskan urban economies have grown dramatically over the past several decades, those economies remain narrow.

(5) . . . that in order to develop a stable commercial center, the center must have an economy to serve "elsewhere."

(6) . . . that rural development promotes both direct, and indirect economic activity for urban centers.

(7) . . . . that rural development expands opportunity for larger scale rural resource development, since expanding economic benefits will increase confidence of both urban and rural parties that that such "development" can be managed for mutual benefit.

There must also be an awareness that rural Alaska needs a scale of development we might term "micro development." However, urban interests tend to key on "marco-development" scale projects, projects on a scale where it is often simply asssumed that there is enough "economic fall-out" to benefit everyone. However, this is not necessarily true, and especially so for non-urban areas.

Carefully managed "marco-scale" development may be made to pay some dividends to rural Alaska. But what rural Alaska does need is micro-development, development that is small, not nearly so exciting and romatic to advocate for policymakers, but which fits the needs and the life-style of rural communities. In a sense, a structure charged with rural economic advocacy will need to learn to "think small," and it will take some adapting on the part of policymakers to think in terms of thousands of dollars, tens of jobs, and etc., instead of on sweeping scales of billions of dollars, world scale resources, and thousands of jobs.

THE POSSIBLE ALASKA STRUCTURES

The purpose of creating a structure is to provide a functional vehicle for policy focus, and to put the label "special" on the structure. Such labeling tends to put the structure, and the policy community, "on notice" that they intend to do something, and to invite scrutiny if they show a lack of performance. A special structure also tends to isolate itself sufficiently to invite participation of interested parties.

Three types of structures appear possible:

(1) A SPECIAL COMMISSION, responsible to the Governor, and working out of the Office of the Governor.

(2) AN OFFICE created within the Office of the Governor. A small agency essentially part of the executive staff.

(3) Assignment to an existing agency with related interests, either creating a new unit thereto, or reorganizing an existing unit.

The basic alternative "settings" for a structure will be discussed in terms of the least viable first.

Assignment to Existing Department

The assignment of the task of rural development advocacy and coordination to an existing department immediately relegates the issue to whatever is the status of that agency.

If the agency is a sub-unit of an existing division, of an existing department, then it is likely the federal government would view the state effort in much the same manner of other states --that the structure has one of two priorities and little other interest.

It is not the intent here to be critical of the ability of any one of several possible agency operators, but rather to suggest that it is asking alot of a sub-component agency to be able to become not only an interagency coordinator among state agencies, but also between state and federal governments and between government and the private sector.

As a sub-component within a line-department, a rural economic development initiative would first have to command its fair share of attention by department heads from among the "daily crisis" of regular operating programs.

Next, since such a rural effort would reach beyond departmental confines, not only would the rural effort have to battle for survival among competing demands within the department, but also it would have to survive among competing demands outside the department. Such a program would constantly require the department chief officer to run interference in coordinating problems with other departments, as well as with key players in the governor's office and with other institutions. The sub-departmental assignment can be made to look good on an organizational chart, but likely asks a line-agency chief, already besieged with enough operational problems, to unrealistically wear thin their welcome in "unhappy" interdepartmental "turf" battles, much less to provide the "extra-energy" to provide leadership to draw together federal, state, and private interests.

The fact remains, that programs are just that, they are designed to deliver an established service in a beneficial manner and with a mimimum of bureaucratic boat-rocking both "within and "without" the departmental organization A department may well prove the exception, especially if it is new and must find its policy niche, when there is exceptional political backing, or when there is unusual leadership.

However, in viewing something as complex as a rural development effort involving multiple departments, governments, and other institutions, the process appears to supercede the primary "operations" role of a state line-department.

The structure must be capable of:

--FIRST, capable of refining its charge to projects which can be accomplished. The structure must participate in selecting rural priority efforts.

--SECOND, it must determine who, if anyone, is presently charged with a needed function, must encourage rural responsibilities be assigned departments, and give backing to departments in carrying out their rural functions.

--THIRD, the rural structure must be capable of some leeway in independent articulation. It cannot be just the state administration's spokesmen, since one of its purposes will be to inject "unfinished ideas" into the"

--executive policy forum
--legislative policy forum
--private policy forum
--and the public forum

--FOURTH, the rural structure must plow new ground in that it should not be a GOVERNMENT PROGRAM, but must be a facilitator of private effort. It must strike a respectful partnership with the "private policy" sector.

--FIFTH, the structure must be cast in a role of "advocate" for rural initiative --for rural action.

Last, there is always the very real problem of the tendencies in an operational department to convert potential of a popular effort into gain for its own agency budget needs.

If a departmental placement for structure is to be considered, there are a number of potential candidates with rural field organizations. Key among them would be the Department of Community and Regional Affairs, and the Department of Transportation and Public Facilities.

Additionally, the Division of Policy and Planning (DPDP) in the Office of the Governor, would serve as a home for such a structure, either as an intregal portion of the division, or as a more defined sub-component like the Office of Coastal Zone Management. However, there could also be conflicts of fundemental roles. The rural effort needs the partnership, the resources of DPDP, and DPDP should be encouraged to build a strong rural planning component. But DPDP also may need to be the alter-ego of the rural structure, as it functions as rural advocate. It would appear DPDP's planning role should be to put the product of advocacy into a larger scheme, and as alter-ego be the necessary critic of the much more activist rural advocacy agency.

A CABINET LEVEL AGENCY

The creation of a special agency in the Office of the Governor is perhaps the simplest creation. Such an office would be small and it is likely its ability to function, and command policy attention within that framework, would be largely dependent on the capability of the person heading such as office.

The office could serve well enough as the focal point for state interaction with the federal/state interagency agreements. And, in terms of carrying out the intrastate functions of the federal/state agreements, such an office would probably be able to carry out its task of state department coordination.

However, open to question is whether such an office could carry out the "expanded" mandate of a significant rural development initiative. Since rural Alaskans, and legislators, would not be on the inside of such a construction, it is likely the tendency would be for those interests to become critics of actions, lack of actions, or both.

It is also doubtful that such an office left simply in that form, could be the injector of unfinished ideas into various forums, or if so, that the injection would tend simply to be into the executive policy forum shielded from the dynamics of more public policy forums. Additionally, circumstances would tend to make the office "spokesmen" for the state administration on rural economic issues, limiting the dynamics of the structure.

If a simple agency structure is selected, then effort will be required to give the office high prestige, and to provide it with staff. The dimensions of the office might be expanded by merging the function with the Private Industries Councils created federal Title VII, thereby providing the agency with a rural private outreach and some dynamics of rural "input." However, at this point the Office begins to take on the posture of the commission/ agency form of structure.

Under conditions of other times a modified Office structure could suffice, but today the senior policy structure of the state is virtually besieged by "macro-issues," such as d-2, OCS, bottom fishery, gas pipeline, gas liquids development, excess revenue policy, Beaufort Sea development, and many others.

The heavy burdens of Alaska policy going into the 1980s would appear to suggest that a long-range rural policy structure most be given "something extra" to program it for survival.

STRUCTURAL SETTING

The structural setting of a cabinet level office would be much like the other "offices" of the governor, except that a portion of its responsibility would face "outward" from state government to interface with the federal interagency agreements and the federal/state joint function. In many respects the structural arrangement of the rural structure need not be much different if developed in a "commission" form.

The special office could be flanked on one side by the Private Industries Council (PIC), which could act as an advisory group, even to the extent of merging staff functions. The office should also be flanked by the Division of Policy and Planning (DPDP), which could beef up its own rural planning capability and establish direct liaison with the rural office.

It is preferrable under the Alaska strong executive concept that the office be clearly responsible to the governor, and that the governor in the final analysis be responsible for the rural office. The purpose of attaching other involvements is not to erode or substitute for executive responsibility, but to provide some of the special elements previous described. Such features could add political strength by tapping legislative input, involve input from rural advisory features, and achieve status by the involvement of a key political officer such as the Lt. Governor.

However, such features added to a cabinet level office transcends into the third alternative structure, esentially which seeks to construct involvement of other key interests without dilluting the final "executive" responsibility of the office

A RURAL COMMISSION/AGENCY STRUCTURE

The third alternative structure initially appears the most complex. However, the appearance of complexity is derived largely from trying to name the main compenents of the rural structure, and determine their basic purposes. In a sense naming such a structure merely formalizes what likely exists in a "de facto" sense anyway.

The concept of the commission structure would simply be to draw together in one place the "key parties" with rural roles, and then to balance out that more institutional group with a balance of rural field representatives. The structure should remain firmly within the executive framework. The policy group would bring together the following components.

--INSTITUTIONAL REPRESENTATIVES, not necessarily limited to state officials.

--LEGISLATIVE REPRESENTATION, providing a balance against administration.

--RURAL PUBLIC REPRESENTATION, providing for non-institutional balance from the rural field areas.

--PRIVATE SECTOR REPRESENTATION, providing representation from private business, possible finance.

The group would be a comission capable of acting as a "whole," but it would also be a commission capable of acting in the form of its natural "parts," the basic components of these subcommittees being drawn from the sectors they represent on the commission:

--DEPARTMENTAL COORDINATING SUBCOMMITTEE

--RURAL ADVISORY SUBCOMMITTEE

--PRIVATE SECTOR SUBCOMMITTEE

In order to allow the commission to function more efficiently it is suggested the governor name an executive committee of five:

--One agency representative
--One Legislative Representative
--Two rural representatives
--The chairman (of the commission)

The structure would be designed to allow, when appropriate, each subcomponent to operate on its own in special areas of concern and assignment. However, at the request of the subcommittees, or the direction of the chairman, the subcommittees would overlap depending on the problem being addressed. Additionally, legislators would be considered members of any of the subcommittees. The system would allow for each subcommittee to specialize in its natural area, with rural representatives minimizing rural outreach and input

The function of the executive committee would be to also operate as the key component in facing the federal government, and in efficiently dealing with the smaller issues of implementing the federal/state inter-agency agreements.

The executive committee would be the state salesperson in the federal market place, seeking to maximize federal resources.

An innovation in the executive committee structure might be to call the legislative representative the "Legislative Co-Chairman." The suggestion is that the legislative co-chairman would not have the same management perogratives of the chairman, but could be used to maximize the presence of the commission by carrying to the federal level the power of legislative position as well as being charged with rural leadership as (Legislative) Co-Chairman. In considering the latter suggestion, it should be remembered that there is a difference between the "elected" leaders and the agency presentatives reception in Washington offices. The elected representatives has no constraints in skipping middle-management, or in the unquestioned right of calling on Washington level political support and in involving them in deliberations. The posturing of the legislative co-chairmanship would solely to an attempt to sustain the rural effort by tapping political power and political presense as the state structure faces Washington D.C. Equally, the Lt. Governor might be used to be the Chairman of the state structure, thus again tapping the political strength and presense of the elective leaders.

The goal of tapping the state's political power structure is to provide a strong and unified executive/legislative policy face towards Washington D.C. (such policy links also facilitate federal links to the state).

In terms of excecutive functions on the internal Alaska level the legislative possition should not violate the integrity of the traditional Alaska executive system. In this area the position of legislators would be that of members.

In terms of the policy structure reaching out for input into rural Alaska, here the legislators could again play a stronger role, perhaps even facilitating common outreach efforts between legislative committees and the commission effort.

MEMBERSHIP

The Commission shall be composed of not more than 14-members, with four being institutional members, two being legislators, two being members of the private economic community, and six being members from rural areas.

Legislators could be appointed by the governor, or by the presiding officers of each chamber.

Legislation should provide for the membership of the director of the University Cooperative Extension Service on the commission as one of the four instititional members.

The legislation should name state departments with key rural field and/or planning responsibility, requiring the Governor to name two as institutional members. The legislation should state that other chief administrators shall serve ex-officio at the request of the Governor or Lt. Governor.

The legislation should name the Lt. Governor as an institutional member and name the Lt. Governor as Chairman of the Commission unless he chooses not to serve on the commission. In such event the Governor shall name another Chairman from any of the membership.

Two private economic community members should be appointed by the governor, representing private business and/or financial expertise.

Six members should be appointed who live in rural areas. It is suggested that these members be drawn from a list of nominations from the boards of the Rural Education Attendance Areas (REAAs). Requested should be first nomination of REAA board members willing to serve, and preferrably with private business experience in rural areas, and second for nominations other than board members. The intent is to move towards using the state's only region-wide elective rural officers for public input in state policymaking affecting their communities. The legislation should ask that the governor's appointment from those nominations recognize the various rural regions of the state as much as is possible comensurate with a small number of members to be appointed.

AGENCY DIRECTOR AND STAFF

The Legislation should provide for the appointment of th
of the rural structure by the governor.

The gubenatorial appointment makes clear the primary executive loyalty and nature of the structure. Additionally, the act of inviting legislators into a titular role of an executive commission denotes a certain amount of trust between the two branches of government on rural advocacy. As a practical matter, the governor may be well advised to consult with the commission in selecting a director, while making it very clear that the director has the support and confidence of the governor. In this regard, it should be considered that the director will have to function among other department heads in coordinating rural functions. If it is not clear that the director is the "governor's person," then the functionality or the ability to coordinate and cooperate with other agencies is open to question. Without executive recognition, the director is likely to quickly become the underling of whatever key administration official on the commission DOES HAVE THE GOVERNOR'S CONFIDENCE.

The legislation should also provide for commission staff within the provisions of legislative budgeting. The nature of the commission may also mean that some staff can be provided by federal grants. In staffing expertise should be split between employees with practical rural awareness and staff that has expertise in working within government and private agency structures.

AGENCY/COMMISSION DESIGN

The design of the commission appears complex. It is in reality quite simple. The appearance of complexity comes from trying to arrive at a design of any unit whereby the pieces of the unit can remain separate when necessary (or when working on issues and problens which need not involve the other components of the commission).

--The design allows for the federal government to design whatever cooperating unit it desires and attach it to the state creation.

--Whatever federal working unit could 1) function seperately, and 2) be part of a unified state/federal working council, depending on working goals and conflicts. And, 3) a federal designee (likely of the federal designated lead agency under interagency agreements), could be a federal vice-chairman of any combined unit.

--The state executive committee could function as a separate state unit in direct Washington lobby efforts.

--The state executive committee is designed to simplify the federal interface and internal state interagency coordination.

--The full state Rural Development Commission is designed to function as a whole in dealing with problems, policy, and projects.

--The State Rural Development Commission is designed to function in its natural "parts" in 1) attacking problems unique to those parts, and 2) in trying to fullfill obligations to have an "outreach and input" to and rural rural areas of the state.

--The State Rural Development Commission in its "parts" will also be able to accomodate overlapping between those parts based on the "overlap" of problems and the "overlap" of the individual "interest" of members.

--The state/federal structure at the top will be able to direct the function of state/federal subunits who actually exist in, and have practical field knowledge of, rural Alaska regions.

--In keeping with establishing a line of authority, the State Rural Development Agency would work under the "direction" of the Governor through the offices of the Lt. Governor acting as Chairman. The commission would provide the carry-through on rural issues.

THE KINDS OF ISSUES AND PROBLEMS

The kinds of issues and problems the rural structure will handle will be varied. The central theme of the commission at any period in "time" will depend on what is possible within the historical circumstances of that time period.

- --The development of a private economic base in terms of "specifics" will in part depend on practical economics --practical potentials of "what's" possible "where," and "when."

- --The structure may address the issue of "what the state should do" in helping prevent failure and default of smaller native/private corporations actually located in rural areas.

    - --possible maintenance of a village management assistance effort like attempted by Alaska Native Foundation (through CRA, or by contract).

- --State potential in encouraging native capital investment in rural areas, and in participating in the "security" of front-line rural investments.

- --The development of state loan instrumentalities, and state bonding authorities, in such a manner as to be practically useful for potential rural investors.

- --Identification and resolution of other rural "blockages" to private investment.

    - --fire insurance.
    - --bonding availability.
    - --utility infrastructure.
    - --transportation
    - --training Assistance

- --An advocate to "tailor" large "macro" economic projects, whether a major petroleum project, or an applicant for state industrial bonds, to respond not just to such things as generalized affirmative action, but more specifically to the "micro-economic" needs of more remote rural communities (if an employer can rotate an employee from Anchorage or Texas, it is possible to rotate an employee from a rural village.

STATE-FEDERAL INTERAGENCY AGREEMENTS

Prepared by:

Gordon Stockdale
Economic Development
Coordinator

In light of the New White House Small Communities and Rural Development Policy, we face a somewhat steeper effort than we were confronted with before in forging a meaningful agreement with the U.S. Department of Agriculture.

Although the option to negotiate an agreement is still available with the Department of Agriculture, the role of such an agreement as the key instrument for rural development is substantially diminished by President Carter's Rural Policy announcement. White House Aides perceive the President's dramatic invitation to all Governors to ally themselves with his rural effort as extinguishing the need for any special agreements with states.

In truth there is still much to gain from the negotiation of a State/FmHA agreement and if pursued vigorously, that option is still available for Alaska. The benefits of the agreement are obviously most relevant to specifically agricultural development and immediately related infrastructural areas such as transportation and marketing. The agreement may however, have significant impact on other rural development concerns, depending on the Governor's response to the White House Policy announcement, and how well the agreement is articulated with the objectives of the new policy.

There are two distinctly separate issues at this point which must be addressed: The first is the formation of the Rural Development Council in response to the White House Rural Policy announcement of December 20, 1979. The other is the State-Federal Interagency Agreement which should be negotiated to enhance the ability of the Council Chairman to forward Alaska policy recommendations to the Cabinet (agency signatory) level of as broad an agency representation as is possible. To gain the greatest advantage of these complimentary opportunities, it is imperative that we structure the Council to show an extraordinary breadth and depth of rural issue understanding, and a commitment to act.

The agreement for Alaska will probably differ from the existing agreements with other States in several key respects:

1. It should explain at the outset Alaska's unique rural character, the almost complete absence of certain basic government and economic infrastructure commonly perceived in the rural nature of the contiguous United States. (tacitly analogous to an emerging nation)

2. It should state that local community development, state capital improvements, private capital investment, and the investment of federal monies are all inseparable elements in the concept of economic development.

3. It should advance the formation of an Alaska rural development policy which recognizes that the common interests of a wide variety of capital sources and expertise can be brought to bear in the service of Alaska's public interest.

4. It should advance the federally perceived need to adapt the parameters of all programs to suit more specifically the problems they address on the basis of this State's uncharacteristic universe of needs.

5. It should show a long-term commitment to act as an instrument of change, directed to the solution of problems and not merely a forum to address symptoms of prevailing pressures.

There is much more to be done to identify the specific line items that will compose the agreement. At this time, in the absence of a well defined state rural development policy, several options can be considered.

The first of these is to undertake the negotiation of a very specific instrument which will address our current priorities as they are identified by those who are charged with the responsibility to negotiate. This position is laden with serious liabilities however. A rush into specific agreement, prematurely, risks obscuring our need for a representative and thoughtfully developed rural policy. We also risk

limiting the relationship described in the agreement to attending short-term pressing issues rather than committing to a constructive and lasting course of action. The most serious long-term liability in this option is the forfeiture of an Alaska/Federal Policy relationship that would be of real value.

Another possibility is to define development goals in much the same manner of the FmHA agreements with Arizona and Arkansas. These are agreements with very broadly defined general goals. Unlike the specific agreement, they are not very limited in scope and offer little risk of either generating, or being mistaken for policy. These agreements don't confine themselves to pressing, immediate issues, but instead set forth goals that may accommodate a substantial universe of needs and solutions. Unfortunately their generality is their weakness. Because no specific course of action is readily apparent in the text, there is little imperative for action. Also, because this type of agreement is open to a variety of interpretations and applications it offers little direction and is soon regarded as less than serious. Finally, as in the first example, this type of agreement would fail to establish a valuable Alaska/Federal Policy relationship.

An Alaska/FmHA interagency agreement should be a technical instrument, leaving the subject of goals and objectives description to the Governor's Rural Development Council. The instrument should define all state agency roles as they relate to Rural Development and assign the responsibility for coordination and oversight of these roles to a lead agency with a sufficient mandate of authority to direct and supervise. The instrument should further compliment the means and authority by which the Rural Development Council may develop the Governor's policy and instruct the lead agency to execute it.

The agreement should describe a similar structure on the Federal side, but the degree and extent to which Federal agencies may be expected to cooperate can be determined only after considerable negotiation. It must be remembered that Region X, in Seattle, has brokered most of Alaska's federal relationships for many years. It is deeply entrenched and only limited adaptation may be expected unless the Alaska/Federal relationship is important at the Cabinet and White House level in Washington, D.C.

This brings us back to the importance of the White House Small Community and Rural Development Policy announced by President Carter in December. Although it is separate and distinct from the State/FmHA interagency agreements, it can serve to help fuse a purposeful and lasting Alaska/Federal policy relationship.

March 23, 1980

Dear

House Bill 932 was introduced by the Budget and Audit Committee on March 4 and is presently in the hearing process.

This Bill seeks to establish the Rural Development Council in the Office of the Governor under the Chairmanship of the Lieutenant Governor, with the strongest possible mandate to pursue an aggressive State policy, committed to the improvement of rural economic conditions.

The Committee's investigation of Alaska's rural policies and agency relationships this past year has convinced me that the State must adopt a strong rural advocacy position in the best interest of every Alaskan.

This is not to say that it is the State's responsibility to impose development or affect local priorities. It is, however, a significant responsibility of the State to insure that economic options are more uniformly available to all Alaska residents.

The President has recently announced the new White House Small Community and Rural Development Policy. In this policy, President Carter recognizes that a healthy rural economy is essential to the economic health of all of America. I believe this principle is especially true in Alaska, the most rural of all states.

I am enclosing a copy of House Bill 932 and a brief description of the new federal policy. I would appreciate your review and comments as soon as possible so that your thoughts can be included. Please call if you have any concerns.

We are scheduled for statewide teleconference hearings on Friday, March 28, at 1:30 (Juneau time) in a Joint Session of the House and Senate Community and Regional Affairs Committees. Your comments and your support would be most welcome.

Sincerely,

Jim Duncan

JD:jp
Encls.

Original sponsor: Rules/Legislative Budget and Audit Committee

HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

IN THE HOUSE

CS FOR HOUSE BILL NO. 932

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An act creating the office of rural development, and the Rural Development Council; and providing for an effective date."

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

* Section 1. FINDINGS; POLICY, PURPOSE. (a) The legislature finds that there is a public interest in the development of a healthy private economic base in rural Alaska, that the rural areas of the state and the many small communities of the state have been in economic crisis for decades, and that in many rural communities a private economic base has ceased to exist which conditions endanger the economic, social, and cultural well-being of the state's rural citizens and the healthy growth and balance of the state's entire economy. The legislature further finds that while many opportunities for economic growth may be available to rural areas, the problems of the state's rural areas are many and complex, spreading beyond the confines or authority of any one program, any one government, or any one policymaker and therefore requiring a special initiative on the part of all concerned parties.

(b) It is the policy of the legislature that

(1) villages and small communities should HAVE ACCESS TO ECONOMIC DEVELOPMENT OPPORTUNITIES

(2) there is a special commitment to the development of a private economic base for villages and small communities;

(3) the state should use its resources and financial strength to encourage THE DEVELOPMENT OF A HEALTHY, SELF-SUSTAINING RURAL ECONOMY

(4) the state has the primary policy responsibility to act and to

catalyze commitment among many interests, including the state, federal government, local governments, and the private sector to promote a private economy in rural areas; and

(5) the advocacy of a private economy compatible with rural life-style should be of the highest priority of state policy.

(c) It is the purpose of this Act to create a governmental structure that will function as an advocate for rural areas and small communities, expressing development issues before state, federal, and local governments, and in the private sectors, and which will assist rural people and institutions in laying the foundations of a healthy rural private economic base.

* Sec. 2. AS 44.19 is amended by adding new sections to read:

ARTICLE 3C. OFFICE OF RURAL DEVELOPMENT.

Sec. 44.19.191. OFFICE OF RURAL DEVELOPMENT. There is established in the Office of the Governor the office of rural development. The director of the office is appointed by the governor and serves at his pleasure. The governor may consult with the council concerning the appointment or discharge of the director.

Sec. 44.19.201. COUNCIL ESTABLISHED. (a) There is established the Rural Development Council as the policy council for the office of rural development. The council consists of

(1) the lieutenant governor;

(2) a member of each house of the legislature appointed by the presiding officer of that house;

(3) the commissioners of the departments of transportation and public facilities, commerce and economic development, and community and regional affairs, and the director of the division of policy development and planning;

(4) six representatives of the private sector appointed by

the governor who are residents of the rural area or small communities;

(deleted)

(5) the Alaska state director of the Farmers Home Administration of the United States Department of Agriculture and a designated representative of the Region X Rural Development Task Force who are ex officio members of the council and may attend and participate in all meetings of the council but may not vote.

(b) The members of the council appointed by the governor serve at the pleasure of the governor.

(c) The lieutenant governor is chairman of the council and one of the legislative members shall be elected by the council as legislative co-chairman.

(d) Members of the council serve without compensation but are entitled to per diem and travel expenses provided by law for members of boards and commissions.

Sec. 44.19.211. PURPOSE OF THE COUNCIL. The purpose of the council is to provide policy direction to the office and to assist the office in the performance of the duties of the office. The council shall assist in coordinating the economic development activities of all departments and agencies of government so that the need for those activities and the impact of those activities on SMALL COMMUNITIES AND rural areas is considered and assist in coordinating the activities of departments and agencies of government which have field responsibilities in the rural areas to the extent that those activities relate to economic development. The council shall also assist the office in its advocacy function.

Sec. 44.19.216. MEETINGS. The council shall meet at the call of the chairman or legislative co-chairman, at the request of a majority of the members, and at least four times a year at a regularly scheduled

time as determined by the members. The council may convene meetings of heads of agencies or departments which are concerned with rural matters or economic development if the council determines a meeting to be useful.

Sec. 44.19.221. POWERS AND DUTIES OF THE OFFICE. The office shall

(1) act as advocate for the development of an economic base in rural Alaska, for community development and for public services which will enhance the opportunity for growth of an economic base in rural Alaska, and for other matters and programs useful to development of the private economy in rural Alaska;

(2) coordinate ECONOMIC DEVELOPMENT RELATED PROJECTS AMONG DEPARTMENTS AND AGENCIES.

(3) act as advocate for rural development programs which are not within the jurisdiction of a specific department or agency;

(4) act as advocate for appropriate technology development, AND THE ADVANCEMENT OF ENTREPRENEURIAL OPPORTUNITIES.

(*) (5) ENCOURAGE AND ASSIST IN THE ORGANIZATION OF LOCAL AND REGIONAL DEVELOPMENT STRUCTURES

Sec. 44.19.226. STAFF. Within budget and appropriation limits, the director may hire staff and determine their compensation. Except for making inquiries, neither the council nor an individual member of the council may give orders to the staff on administrative matters.

Sec. 44.19.231. REPORTS. Before January 15 of each year the office shall submit to the legislature a comprehensive report describing the activities of the council and the office for the preceding year.

Sec. 44.19.236. DEFINITIONS. In AS 44.19.191 - 44.19.236

(1) "council" means the Rural Development Council;

(2) "director" means the director of the office of rural development;

(3) "office" means the office of rural development.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs
March 21, 1980

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Notice sent to HC&RA attached 3/21/80

TELECONFERENCE NOTICE

The House Community and Regional Affairs Committee, chaired by Rep. Bill Parker, and the Senate Community and Regional Affairs Committee, chaired by Senator Arliss Sturgulewski, will hold a joint teleconference on Friday, March 28 at 1:30 P.M. Juneau time on

HB 932 Creating an Office of Rural Development and Rural Development Council

The teleconference will include testimony from all sites. Persons interested in testifying or observing at this hearing should contact the local Legislative Information Office in the following communities: Anchorage, Bethel, Fairbanks, Dillingham, Kotzebue, Nome, Kodiak, Soldotna, Ketchikan and Sitka. Further information may be obtained from the House Committee Chairman (465-3824) or the Teleconference Coordinator (465-4980).

As you may know, the Carter Administration has established a Small Community and Rural Development Policy in an effort to coordinate the various forms of federal assistance to rural America, and to better focus on the priority needs, as identified by the State. The mechanisms through which such coordination will be achieved at the federal level are an interagency group of assistant secretaries of major federal agencies in Washington, D.C. and regional task forces composed of members of the federal regional councils. The principal agency in charge of policy implementation at the federal level will be the U.S. Department of Agriculture. At the State level the identification of rural development priorities will be the responsibility of state organizations designated by each Governor. Last fall Governor Hammond designated the Agriculture Action Council as the entity to coordinate this federal policy in Alaska. Recognizing that the Council's mandate is somewhat narrower than the federal initiative, we are presently preparing recommendations to expand the Council's membership as it regards the federal rural development initiative. The proposed expanded membership generally follows the structure of the Rural Development Council proposed in HB932. It is our intent to finance this new organization (we understand that federal funds are available) and develop a work program which will identify priority rural development needs, help to initiate specific projects which will meet those needs and coordinate the state, federal and private resources necessary to bring such projects to fruition. In effect we are attempting to do within an existing framework what this Legislation seeks to accomplish by creating a new organizational structure.

For this reason, we feel this effort can be accomplished without any additional statutory authority.

Please let me know if there is any other information which we can share with the committee which might be helpful in its discussion of this issue.

Sincerely,

Frances A. Ulmer, Director
Division of Policy Development
and Planning

STATE OF ALASKA

JAY S. HAMMOND, Governor

OFFICE OF THE GOVERNOR

DIVISION OF POLICY DEVELOPMENT AND PLANNING

POUCH AD
JUNEAU, ALASKA 99811
PHONE: 465-3512

March 18, 1980

Bill Parker, Chairman
House of Representatives
Community and Regional Affairs
Pouch Y, State Capital
Juneau, Alaska 99811

Mr. ~~Chairman~~ Bill:

You have requested that I appear before your committee and comment on HB932 "An act creating the office of rural development and the Rural Development Council." Although I will be unable to personally attend the hearing, I would like to share with you and your committee my comments on this legislation.

The Division of Policy Development and Planning has had some experience during the last three years in assisting some rural areas of the state undertake planning efforts which would help them direct the kind of development which will occur within their region.

The most notable of these has been the "Regional Strategy" planning program underway in the NANA region. In conjunction with the U.S. Department of Housing and Urban Development and the Alaska Department of Community and Regional Affairs, the Division has provided funds and assistance to the Mauneluk Association to develop a regional development plan. This planning process has served as a vehicle to coordinate the activities of all major government agencies in the region and to make their activities consistent with local needs and desires. The NANA Regional Strategy program which we began almost two years ago was designed to address the problems identified in Section 1 of HB932 which declares that "the problems of the state's rural areas are many and complex, spreading beyond the confines or authority of any one program, any one government, or any one policy maker...."

We agree with this statement and have been working within the executive branch to devise a process which recognizes the unique nature of rural Alaska. We are attempting to create a broadly based coordinating effort which will target the resources of the federal and state governments so that development activities will benefit Alaska's rural citizens to the maximum extent possible.

01-A3LH

"RURAL ALASKA IS IN A STATE OF
PROFOUND ECONOMIC DEPRESSION, - HAS BEEN
FOR MANY YEARS"

I. INTENT: Create Rural Development Council to advocate and assist in rural development.

TIMING: Carter has created new Rural Policy - One time opportunity for revising federal relationship; break Region X Policy brokerage.

II. BASIC PROBLEMS:

1. No comprehensive state commitment to rural economy.

2. Village economic institutions have been left to "go it alone."

3. State relates to rural Alaska through narrowly defined agency boundaries.

4. State now has capital resources to leverage private capital in fostering rural development. Existing structure and policy have a history of poor performance.

III. SOME OF THE OBSTACLES:

1. Need for executive commitment to "an active" rural development policy.

2. Failure to recognize private industry role in basic economies (not a strictly government role).

3. Traditional government/private industry adversity precluded partnership approach to development.

4. Failure to recognize rural development is fundamentally urban development.

5. Inadequate direction of public resources to build an economy - needs Executive Commitment.

IV. STATE'S INTEREST:

1. To begin to establish a very fundamental cash economy in rural Alaska - requires special government role.

2. Infrastructure development is an investment; returns are not immediately apparent.

FEDERAL/STATE INTERAGENCY AGREEMENT

1. State agency structure and operational limits are defined in large part by their federal counterpart agencies.

2. Alaska has had virtually no role in Alaska Federal Policy formation.

3. Seattle's Regional Administrators have exercised brokerage of Alaska interests for years - deeply entrenched.

4. Alaska still has an option to exercise the last of the Federal/State Interagency Agreements.

5. We will be the only state with this option under the new White House Rural Development Policy.

6. The structure of the Council is still open. Its membership is the key to taking advantage of the built-in ability to make things happen!

1 part of committee file a/

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

465-2601

POUCH O – JUNEAU 99811

May 20, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

It is my understanding that the Senate Community and Regional Affairs Committee is currently considering HB 932, the Rural Development Act. Your staff has asked me to provide the Committee with a list of functions of the Department of Environmental Conservation for the Committee's use in determining appropriate representation of State agencies on the Rural Development Council. That list follows:

1. Funding construction of water and sewer facilities under the federal and State water and sewer bond programs and the Village Safe Water program. Under legislation already passed by th Committee, solid waste facilities would be grant eligible. We also certify and assist in the training of water and wastewater system operators.

2. Review of plans for surveillance of air emission sources, sewerage systems including on-lot sewage disposal (subdivision review), drinking water supplies and solid waste disposal facilities.

3. Oil and hazardous waste spill prevention and cleanup. This fiscal year the department wil develop a model contingency plan for small communities for oil spill protection.

4. Certification of dredge and fill activities and other activities resulting in discharge into navigable waters for compliance with State water quality standards. Under the Federal Clean Water Act, a designated State agency must provide the certification of activities requiring permits from the Corps of Engineers, Environmental Protection Agency, Coast Guard (bridges), and Federal Energy Regulatory Commission (dams).

5. Membership on the Coastal Policy Council.

6. Analysis of various water related environmental problems, with proposed solutions, such as waste oil generation and disposal, and sewage disposal.

Because of the significant impact of our department's responsibilities and functions, the Committee may well find that our department should be represented on the Council. We would concur with such a Committee finding.

If I can be of any further assistance in this matter, please advise.

Sincerely,

C. Deming Coyles

C. Deming Coyles
Deputy Commissioner



Alaska Rural Development Council

GOALS
STRUCTURE
PROGRAM EMPHASIS
MEMBERSHIP
OFFICERS & DIRECTORS

1978

Alaska Rural Development Council

GOALS

Improved Communication Between Agencies

Coordinated Assistance to Community, Regional and State Developmental Programs

Broadening Understanding of Rural Development Potentials

Increased Awareness of Technical and Developmental Resources Available in Alaska

STRUCTURE

The Council is open to membership from State and Federal agencies and organizations with statewide developmental concerns.

Officers and directors are chosen annually from the Council members.

Council meetings are held quarterly, with meeting sites rotated throughout the State.

Regional councils are organized to serve Southeast Alaska, Kenai Peninsula, Kodiak Island, Matanuska Valley, and Tanana Valley.

PROGRAM EMPHASIS PRIORITIES

Agricultural Development -- Long Range Analysis of Future Potential

Developing Water, Waste Disposal and Other Rural Community Facilities

Improved Rural Housing

Land Use Planning and Development

Rural Government Development

Rural Industrial Development

FEDERAL

DEPARTMENT OF AGRICULTURE

Science and Education Administration-Federal Branch
Roscoe L. Taylor, member; Winston Laughlin, alternate

Agricultural Experiment Station, Palmer
Sig Restad, member

Agricultural Stabilization and Conservation Service
Charles Marsh, member; Virginia Hoffman, alternate

Economics, Statistics & Cooperatives Service
Delon A. Brown, member

Alaska Power Administration
Robert Cross, member; Tom Wilde, alternate

Cooperative Extension Service
James W. Matthews, member;
Peter M. Probasco, alternate

Farmers Home Administration
Darwin R. Betts, member

Forest Service
Marvin C. Meier, member; Robert Janes, alternate

Soil Conservation Service
Weymeth E. Long, member; Theodore Freeman, alternate

DEPARTMENT OF THE ARMY

Corps of Engineers
Mason D. Wade, Jr., member; Paul E. Pinard, alternate

DEPARTMENT OF COMMERCE

Domestic and International Business Administration
Sara L. Haslett, member; Sonja P. Braeutigan, alternate

DEPARTMENT OF ENERGY

Fred Chiei, Jr. member; Robert Sanders, alternate

ENVIRONMENTAL PROTECTION AGENCY

Arctic Environment Research Lab
Bert Puchtler, member

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

Alaska Area Native Health Se[illegible]
Fred Reiff, member; Dr. Ryan, [illegible]ate

DEPARTMENT OF HOUSING AND U[illegible]AN DEVELOPMENT

Roger A. Riddell, member; Har[illegible] Saether, alternate

DEPARTMENT OF THE INTERIOR

Special Assistant to the Secretary:
Jerry Gilliland, member

Fish and Wildlife Service
Clayton Hardy, member; Melvin Monson, alternate

Bureau of Indian Affairs
H. Prent Gazaway, member; Edward L. Nygard, alternate

Bureau of Land Management
Gary Seitz, member; Sal DeLeonardis, alternate

Bureau of Mines
Alfred L. Service, member; John Mulligan, alternate

Heritage Conservation & Recreation Service
Bill Thomas, member; Paul Gates, alternate

National Park Service
Bryan Harry, member; T. Still Newman, alternate

STATE

OFFICE OF THE GOVERNOR

State Policy Development and Planning
John Halterman, member; Jay Moor, alternate

DEPT. OF COMMERCE AND ECONOMIC DEVELOPMENT

Division of Economic Development
James E. Wiedeman, member; Nick Carney, alternate

NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION
Walter Jones, member

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Division of Community Planning
Lawrence H. Kimball, Jr., member;
Veronica Clark, alternate

DEPARTMENT OF EDUCATION

Division of Educational Program Support,
Vocational Education: Gladys R. Tinney, member

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
Jerry Reinwand, member

DEPARTMENT OF FISH AND GAME
Richard Logan, member; Tom Trent, alternate

Division of Game
Oliver E. Burris, member; David G. Kelleyhouse, alternate

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Division of Public Health Environmental Health Section
Sidney D. Heidersdorf, member; John R. Kuhn, alternate

DEPARTMENT OF LABOR
Lottie Fleeks, member; Boyer Brown, alternate

DEPARTMENT OF NATURAL RESOURCES

Division of Agriculture
K. Allan Linn, member

DIVISION OF LAND AND WATER MANAGEMENT
Theodore G. Smith, member; George K. Hollett, alternate

DEPT. OF TRANSPORTATION AND PUBLIC FACILITIES
Dean Paddock, member; Gerald Jones, alternate

FEDERAL-STATE LAND USE PLANNING COMMISSION
John L. Hall, member; Charles Naughton, alternate

UNIVERSITY OF ALASKA

Arctic Environmental Information & Data Center
Charles D. Evans, member; Larry S. Underwood, alternate

College of Arts and Sciences
Roger Pearson, member; Paul S. Salter, alternate

Cooperative Extension Service
James W. Matthews, member;
Peter M. Probasco, alternate

Geophysical Institute
John M. Miller, member; Paula Krebs, alternate

Agricultural Experiment Station
Sig Restad, member; James V. Drew, alternate

Institute of Arctic Biology
Joseph A. Nava, member; Leonard Peyton, alternate

Institute of Marine Science
Dorothy T. Brewster, member

School of Agriculture and Land Resources Management
James V. Drew, member; Sig Restad, alternate

School of Management
William G. Phillips, member; J. Patrick O'Brien, alternate

School of Mineral Industry
Earl Beistline, member; Donald J. Cook, alternate

Sea Grant Program
G. D. Sharma, member; John Doyle, alternate

OTHER

ALASKA FEDERATION OF NATIVES, INC.
Clifford A. Black, member; Janie Leask, alternate

ALASKA NATIVE FOUNDATION
Village Management Assistance:
Michael DeMan, member; Gordon Stockdale, alternate

ALASKA VILLAGE ELECTRIC COOPERATIVE, INC.
Lloyd Hodson, member

BERING STRAITS NATIVE ASSOCIATION
Gary Longley, Sr., member

BRISTOL BAY NATIVE CORPORATION
Ted Angasan, member; Kay Larson, alternate

COMMUNITY ENTERPRISE DEVELOPMENT CORP. (CEDC)
Jeff Hiatt, member; Kay K. Koweluk, alternate

FAIRBANKS NORTH STAR BOROUGH
Planning Department:
Philip Berrian, member; Rick Wilhelm, alternate

FAIRBANKS TVA DEVELOPMENT, INC.
Jerry Smetzer, member

MATANUSKA TELEPHONE ASSOCIATION, INC.
Graham Rolstad, member; Jackie N. Dukes, alternate

RURAL ALASKA COMMUNITY ACTION PROGRAM, INC.
Philip Smith, member; George Allen, alternate

SEALASKA CORPORATION
Richard J. Stitt, Sr., member

SOUTHEAST ALASKA STATE FAIR
Carl W. Heinmiller, member

YUKON-KUSKOKWIM HEALTH CORPORATION
George Neck, member; Alvin Ivanoff, alternate

Alaska Rural Development Council

OFFICERS:

Chairman - Sig Restad, Institute of Agricultural Sciences

Vice Chairman - Fred Reiff, Department of Health, Education and Welfare

Recording Secretary - Ed Kern, Alaska Division of Agriculture

Executive Secretary - James W. Matthews, Cooperative Extension Service

DIRECTORS:

John Hall, Federal-State Land Use Planning Commission

Dan Karmun, Reindeer Herder's Association

Allan Linn, Department of Natural Resources

Weymeth Long, USDA Soil Conservation Service

Frank McIlhargey, Kenai Peninsula Borough

Marvin Meier, U.S. Forest Service

John Miller, Geophysical Institute, University of Alaska

Pete Probasco, Cooperative Extension Service

Phil Smith, RurAL CAP

STANDING COMMITTEES:

Human Resource Development: Phil Smith, Chairman

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Calendar No. 183

96TH CONGRESS } SENATE { REPORT
1st Session } { No. 96-171

REGIONAL DEVELOPMENT ACT OF 1979

MAY 15 (legislative day, APRIL 9), 1979.—Ordered to be printed

Mr. RANDOLPH, from the Committee on Environment and Public Works, submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany S. 835]

The Committee on Environment and Public Works, to which was referred the bill (S. 835) to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for a nationwide system of multi-State regional development commissions to promote balanced development in the regions of the Nation having considered the same, reports favorably thereon with amendments and an amendment to the title and recommends that the bill as amended do pass.

GENERAL STATEMENT

Nearly 15 years ago, the Congress recognized the fact that certain regions of this nation were not enjoying the economic viability and prosperity common to the rest of the United States. Lagging regions could attribute their difficulties to a variety of reasons: depletion of natural resources; outmigration of population, technological changes resulting in obsolesence in single-industry areas and geographic isolation, among others. Most of the problems in these economically depressed areas transcended State boundaries.

To carry out an effective program of assistance in these distressed region, in 1965 the Congress authorized the creation of multi-state regional commissions through enactment of the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act. These commissions are partnerships of the States and

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To carry out an effective program of assistance in these distressed region, in 1965 the Congress authorized the creation of multi-state regional commissions through enactment of the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act. These commissions are partnerships of the States and

the Federal Government. Under the shared guidance of the Governors of the States involved and a Federal representative, a commission's primary responsibility is to develop regional policy to address common problems. Commissions provide a cooperative structure for such problem identification. To carry out a regional investment strategy, a commission provides assistance in assembling, from the array of available existing State and Federal authorities, those programs and projects which will meet the special needs of an area. It works with Federal agencies in selecting and shaping activities appropriate to provide unique responses to regional problems.

It is through regional development commissions that local, State and Federal officials, in spite of individual concerns, can combine resources to address difficulties which are shared by contiguous units of governments. This kind of effort, stemming as it does directly from the people, is vital to the development of workable regional plans. Such a plan must encompass a set of goals and objectives jointly determined by the commission partners after consideration of the views of people from all sections and groups in the region.

The primary purpose and responsibility of the regional commissions established in 1965 was to aid lagging areas—areas of chronic and substantial unemployment and low incomes. This task has not been completed. Strides have been made over the last 10 years and disparities between regions have narrowed. But differences still exist and the widest disparities exist between areas within regions. The commissions are to continue to give first priority to areas of decline. These areas most need help to move forward. Because the problems are deep seated and long-standing, they require the combined ingenuity and resources of the States and Federal Government. Coherent, coordinated strategies must be planned and adhered to. Investment must be concentrated and planned over a long period. There is no short cut to remedy the years of decline. During consideration of this legislation, the Committee reaffirmed its intent that the first priority of a commission is to address declining areas.

States have argued that the commission structure is useful in helping them to cope with sudden, rapid growth and the dislocations such growth brings to a region. The Committee agrees and has expanded the authority to plan for and coordinate policies to deal with dislocations in areas of rapid growth.

Another purpose of the bill is to strengthen and improve the coordination role of the regional commissions. The growth planning process outlined in the bill will improve the ability of the commissions in carrying out this function.

As a result of the White House Conference on Balanced National Growth and Economic Development last year, the President announced in January his desire to institute a regional growth policy process. He reiterated the finding of the conference that the varied economic problems in regions of the Nation suggested a need for strong State and local action to develop regional balanced growth policies and to focus local, State, and Federal funds in accordance with these strategies. President Carter determined that the existing Appalachian Regional Commission and the title V commissions were the vehicles through which such policies should be channeled.

In a unique arrangement, decision making is shared by the chief elected State official—the Governor, and a representative of the Federal government—the Federal Co-chairman. This arrangement has made the Commissions valuable institutions for addressing on a cooperative basis other shared regional matters. While the primary purpose of the commissions is to overcome the gap in income and jobs, they have also become a forum for shared State action on other regional issues such as pollution, coastal zone management, and energy.

Through its unique partnership, the commissions have served a valuable liaison role between the region and the national government. The commissions have been able to represent particular regional issues and opportunities to the various Federal departments and agencies in the formulation of those agencies' policies and programs. Thus regional perspectives can be brought to national policy, helping to tailor national programs to situations as they exist in the particular regions of the country. For example, an energy consuming region of the country such as the Northeast brings a different focus to national energy policy than an energy producing area such as the West. Both of these views should be made known before policy is established. Unnecessary hardship could be avoided and adjustments could be provided for before dislocations occur rather than after the fact.

The commissions also serve as a liaison, bringing national goals and objectives to regional decision makers. Armed with this information, regional policy can be directed to take advantage of national policy where possible. At a minimum the region will avoid policies contrary to national goals.

The Appalachian Regional Commission and the title V commissions were originally authorized by separate acts of Congress. They were last extended by a single statute—the Regional Development Act of 1975. The Committee on Environment and Public Works feels that now, 14 years after their inception, all these commissions should be in a sense melded into a common framework, and made to demonstrate the viability and effectiveness of a well-conceived regional strategy. The committee believes that this legislation will further this objective.

Background

Appalachian Regional Commission

The special needs of the Appalachian Region were recognized by the Congress in 1965 when it passed the Appalachian Regional Development Act. It was envisioned at that time as a unique partnership between the Federal Government and the 13 member States. It was created to address the severe problems of the Appalachian area. In spite of its rich human and natural resources, the area traditionally lagged behind the rest of the Nation in its rate of growth and development.

In the 14 years since its inception, the Appalachian program has come a long way toward fulfilling expectations. It has helped to change the face of the area dramatically by fostering new hope, new initiative, and new enterprise. Some of these advancements are as follows:

Appalachia's poverty population has decreased since 1960 from 31 percent of the total populace to 14 percent in 1976. This represents a

55-percent decline in poverty incidence during a period when nationwide figures show a 48-percent decline.

In per capita income, between 1965 and 1976 Appalachian total personal income climbed from 78 to 85 percent of the national average.

An existing trend of outmigration has been reversed. An average of 58,000 persons per year have migrated to the area.

The region added approximately 1.35 million jobs between 1965 and 1977, bringing Appalachia's official unemployment rate down to a level more nearly approximating that of the rest of the Nation.

In education, as of 1960, only one-third of the region's adult population had completed high school. By 1976, the percentage is estimated to have risen to approximately 60 percent.

In the area of health, the average number of physicians in the region rose from 92 for every 100,000 residents in 1963, to 116 per 100,000 in 1976.

Another major accomplishment under the Appalachian program has been the development of vocational schools. To date, the Commission has invested more than $300 million in a regionwide system of vocational schools. There are now nearly 500 such schools serving 300,000 students.

The importance of the Appalachian development highway system to the economic growth of this mountainous region cannot be overemphasized. Of the entire 3,025 miles now authorized, approximately 1,700 miles, or 56 percent are either completed or under construction. An additional 680 miles of access roads have been built to serve industrial sites, hospitals, schools, or other public facilities. When the entire system is completed, 85 percent of the people of Appalachia will be within 30 miles of a high quality highway. The highway program is vital to the development of Appalachia.

These are significant advances. But much remains to be done. Of Appalachia's 19 million inhabitants, 2.7 million continue to live in poverty. Only six out of the region's 397 counties have a per capita income that has reached the national income average. Despite improvements in the availability of health facilities, serious health problems remain. Infant mortality rates still exceed those of the rest of the Nation. A high incidence of diseases such as hepatitis, streptococcus, tuberculosis, measles, and rubella remains. And the 1976 ratio of 116 physicians to every 100,000 people lags behind the national average of 174 per 100,000.

The Committee considers that the most significant aspect of the total Appalachian experiment has been the continuing development of the partnership role among all levels of government. The experiment is succeeding. This legislation extends the Appalachian Regional Commission for an additional 4 years, and provides it with additional authorities and responsibilities.

TITLE V REGIONAL COMMISSIONS

The Public Works and Economic Development Act of 1965 recognized that there were lagging regions in parts of the country outside of Appalachia. Title V of that Act provided for the establishment of regional development commissions in other sections of the country which had special problems and needs demanding individual analysis

and response. Like Appalachia, they were given broad authority to supplement other Federal grants, to undertake planning and studies, provide technical assistance, and encourage investment plans and the capability of State members to foster economic growth. Federal direction for these programs was placed in the Department of Commerce.

There are now eleven title V commissions, comprising all or parts of 48 States, three of which were designated in December, 1978.

The commissions have pursued a wide variety of programs. They have differed in their development programs as their regions have differed one from the other in the nature and scope of the problems that distinguish them as lagging regions.

Commission programs for the most part are directed toward closing the income gap, creating more jobs, and raising education levels. Programs dealing with transportation, natural resources, regional economic analysis, State investment planning, energy development, vocational education, tourism, and health are typical examples.

In the Regional Development Act of 1975, Congress expanded the program authorities of the commisions in the fields of energy, transportation, health and education—comparable authorities earlier provided the Appalachian Regional Commission. Congress also attempted to upgrade regional development through the commissions by raising the annual authorization from $150 million in 1975 to the present $250 million level. By all accounts, program performance under the commissions has been significantly limited because past Administrations have never requested adequate funding. But this legislation again expands their authorities and provides a more clearly defined framework for their operation within the executive branch.

Purpose of the Legislation

S. 835, as amended, extends the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act, and provides for the creation of regional commissions to promote balanced development in all regions of the Nation to respond to economic distress.

The bill as approved by the Committee continues the operation of the Appalachian Regional Commission and its program for an additional four years, through fiscal year 1983. It also provides a mechanism for the implementation of a similar regional approach to areas of economic distress in the rest of the Nation, most of which are already included in commissions established under title V of the Public Works and Economic Development Act of 1965.

The regional commissions under title II of the reported bill are authorized at not to exceed $250 million for each of the fiscal years 1980, 1981, 1982, and 1983. The nonhighway program authorization for the Appalachian Regional Commission under title I of the bill is $340 million for the 2-fiscal-year period 1980 and 1981, and $380 million for the 2-fiscal-year period 1982 and 1983. The Appalachian Development Highway Program authorizations are $350 million for fiscal year 1981 (an increase of $180 million); $400 million for fiscal year 1982; $450 million for fiscal year 1983; $500 million for fiscal year 1984; and $500 million for fiscal year 1985.

Title III, the "Regional Growth Policy Process Act", provides a means whereby the Federal Government, the States, and regional, substate and local entities can together address, on a regional basis, problems experienced in two or more States.

While a primary purpose of the regional commission program is still to assist areas of economic decline, their authority has been expanded to include hardship caused by sudden rapid growth.

A key feature of the legislation is the creation of an interagency committee at the White House level which shall provide program coordination and support for the regional commissions and the Federal agencies. This will provide the commissions with a visibility which they have lacked under the existing title V program, and should assure them a greater voice in the cohesion and coordination of the multifaceted Federal programs established to assist States and local governments in the resolution of their shared economic problems.

Provisions are included in the legislation which will assure accountability and responsibility on the part of the Federal, commission and State entities under this Act.

In conclusion, the legislation expands the authorities of the regional commissions while at the same time more clearly defines their responsibilities. This is intended to assure the development of an integrated approach to problems of economic distress based on local, State, and regional perceptions, and ultimately reflected in actions by the Federal Government.

Regional Growth Policy Process

Title III of this legislation establishes a regional growth policy process to bring the Federal Government, regional commissions, States, and local governments into a cooperative structure for addressing regional issues.

FEDERAL COORDINATION

The President has proposed this new "process", based on recommendations of the 1978 White House Conference on Balanced National Growth and Economic Development. A January, 1979, memorandum from the President to agency and department heads on the subject of regional commission support provides appropriate background for a discussion of the growth policy process:

> In light of the changing patterns of economic activity across the country, and in order to extend the ability of States and localities to shape Federal policies in behalf of regional concerns, new processes for planning, coordination and policy support are required. To develop and carry them out will require cooperation on the part of the Secretary of Commerce, Federal departments and agencies, the Interagency Coordinating Council, the Federal Cochairmen of the Appalachian and title V Regional Commissions and the Federal Regional Councils
>
> * * * I am instituting a regional growth policy process to assist the regional commissions in developing and implementing their multiyear regional development plans and annual

> investment programs. These plans and, more importantly, the annual investment programs should be developed from the ground up, reflecting sub-state and State development plans. Through this policy process, the regional commissions will be given an opportunity to prepare recommendations to Federal departments and agencies for solutions to problems of regional growth and decline * * *

This important innovation expands the influence of the commissions beyond their limited funding base to all of the relevant Federal programs, including financial and technical assistance, direct development, and other Federal decisions. Use of the White House Interagency Coordinating Council assures that the regional commission point of view will have the attention of all units of the executive branch.

This opportunity for the governors and Federal cochairmen, acting together as commissions, to address the larger problems shared by the States of each region will require a spirit of constructive accommodation on the part of Federal agencies. Not every problem viewed by a commission to be of regional significance and requiring adaptation of some Federal policy or procedures can be accommodated by the affected Federal agencies. But this new process ought to identify those that can, and do so with reasonable speed.

Section 302 delineates the Federal role in coordinating with the regional commissions. The President is directed to establish an interagency committee for program coordination and support for the regional commissions and the Federal Government is determining policies and recommendations which will further the purposes of this Act. The committee is to be chaired by a senior White House official, and composed of the Chairman of the Regional Development Council, and senior officials of Federal departments and agencies concerned with regional development activities.

Each commission is required to prepare a multiyear regional development plan and annual investment strategies. The interagency committee authorized in section 302 is directed to establish a schedule for review of the recommendations contained in each commission's plan and annual regional growth policy recommendations by the Federal departments and agencies represented on the committee. The commissions are to participate in any discussions with those Federal agencies which are necessary to resolve any issues, and the Chairman is to attempt to identify and encourage solutions to regional issues involving the participations of more than one department or agency.

This section also requires Federal Cochairmen of regional commissions to be appointed Chairpersons of appropriate Federal Regional Councils where practicable. If the Federal Regional Councils are to serve any useful purpose, it is important for them to be linked to the regional commissions.

Federal departments and agencies are directed to cooperate with commissions to the maximum extent possible. They are also directed to assure that existing Federal programs are not inconsistent with commission activities, and to consult with appropriate commissions prior to providing financial assistance to any multistate organization engaged in activities related to regional growth purposes.

REGIONAL PLANNING

Title III also establishes a regional planning process involving all levels of government.

The regional growth policy process set forth in this title emphasizes the importance of a ground-up approach to planning. The participation of substate and local entities is emphasized and the goals, objectives and priorities of communities granted great respect in this process. The warp and woof of this planning fabric—from local to multicounty to State to regional—will be as durable as the imagination, hard work and persistence of those involved.

At the same time, there must be adequate guidance from the commissions to States and substate levels. The planning process within a State must be relevant to regional goals and regional planning needs. The committee has no illusions that the process envisaged in this title will be productive if Federal departments and agencies and State and local governments do not develop respect for the plans and strategies generated by it. Without such respect, participants cannot be faulted for resisting the adaptation of their policies or procedures to accommodate the goals and priorities of these plans and strategies.

Section 303 establishes the base for the development planning process, outlining the responsibilities of States and development districts. Each commission shall require State members to prepare and submit a development plan for each State in the region, updated annually. Criteria for such State plans are delineated.

Each commission is directed to develop and require execution of areawide action programs. These programs, prepared at the multicounty level, set forth interrelated projects and schedules of actions and the financial resources necessary to carry them out. Subsection (c) authorizes Governors to certify development districts for these purposes. States are directed to work with local units of government, development districts, citizens, and private interests. A Governor may not certify a development district unless it conforms with specific criteria.

Section 304 describes the commission responsibility to prepare a multiyear development plan and annual investment strategy. The multiyear plan is due within 18 months of enactment. It is to be reviewed annually and formally assessed every five years.

Investment strategies are to be transmitted to the interagency committee and, except for the Appalachian Regional Commission, to the Secretary for use as the basis of consultation with Federal departments and agencies through the mechanism described in section 302. This strategy identifies programs and projects, proposed funding, and proposed policies which may be adopted by Federal agencies and State and local governments to reflect in their respective programs and regulations ways to further the implementation of the regional plan.

After development of a regional development plan or investment strategy, the Federal Cochairman shall have no more than 75 days to review such plan or strategy and to obtain the Secretary's review. The Federal Cochairman is directed to consult with appropriate Federal agencies in the course of that review.

The Secretary of Commerce has disapproval authority over regional development plans of all commissions except the Appalachian Re-

gional Commission. Such disapproval must be made within 60 days of transmittal, and must be predicated on a finding that the plan is inconsistent with certain national and interregional policies and activities.

Regional commissions are to review multiyear plans annually and do a formal assessment of such plans every 5 years.

Section 305 states that the Development planning process and the regional growth policy process are to reflect the goals, objectives, priorities, and recommendations of development districts and local governments as they are presented in approved State development plans. To the extent practicable, regional development plans and annual investment strategies are to be developed from and shall incorporate such goals, objectives, priorities, and recommendations.

The preparation of State and regional plans shall accommodate and harmonize the multiplicity of goals, priorities, recommendations and needs identified by development districts and local governments.

Commissions are required to assure an adequate process of consultation with local governments and development districts.

Accountability

GAO report and Department of Commerce audit

On February 28 of this year the Department of Commerce released a report on its audit of selected activities of the title V regional commissions. In late April the General Accounting Office issued a report addressing the nonhighway activities of the Appalachian Regional Commission.

Both these reports were critical of existing commissions from several standpoints. The Department of Commerce report was directed to commission administrative activities rather than to specific program . It found deficiencies in coordination, both at the Commerce Department level and with other Federal agencies. Problems were found in the planning, selection, and evaluation of projects, as well as operation and monitoring of completed projects. Inconsistencies in expenditures from program monies and administrative funds exist.

Many of these same problems were also mentioned in the report of the General Accounting Office on the Appalachian Regional Commission. In addition, problems were cited concerning a possible decline in State participation in nonhighway programs and priority of program evaluation.

The Committee recognizes that many of the points raised in these reports are valid. Specific language has been included in this legislation which the Committee believes will alleviate existing problems. The procedure spelled out in title III, the Regional Growth Policy Process, spells out in detail the role of the Federal government in coordinating with the regional commissions. The specific duties of the commissions are outlined in several sections of the bill, principally sections 204 and 304.

State responsibilities for maintenance of effort are spelled out in section 207(h).

Fiscal responsi / and management standards are required on the part of the Federal government and commissions.

The Committee is aware of existing problems in commission administration and programs. This legislation seeks to alleviate those problems while at the same time expanding the regional commission concept to other parts of the Nation. The Committee expects to monitor commission activities closely as they carry out the directives of this legislation.

LEGISLATIVE PROVISIONS

The committee considered the question of accountability to be of grave importance in the development of this legislation. The careful spelling out of the specific responsibilities of each element in this unique Federal, State and substate partnership is essential both from the standpoint of ensuring the viability of the program and the protection of the participants.

Recent reports of the General Accounting Office and the Department of Commerce have criticized the operations of existing commissions. This legislation contains a number of safeguards to assure accountability on the part of the Federal, State and commission elements, as well as recipients of assistance from commissions.

For the commissions in title II, the Secretary of Commerce is required in section 208 to identify basic areas in which minimum standards of fiscal responsibility and management must be adopted, including uniform cost principles; to specify such minimum standards in regulations; to require each commission to adopt such standards as part of their internal regulations; and adopt procedures and regulations governing conditions under which the Secretary may withhold funds from a commission for violations of this Act or any regulations adopted under this act. The Secretary is further required to evaluate, on an annual basis, the performance of the commissions in adhering to such procedures and regulations, and in implementing the provisions of this act.

Section 204(b)(2) requires all Federal cochairmen to assure commission compliance with applicable Federal fiscal and management requirements either established under this legislation or by the ARC Federal Cochairman or that commission itself.

In section 210 the commissions themselves are mandated to keep records which will fully reflect the amount and disposition of the funds provided to them, and such other records which will facilitate an effective audit. They are also required, in section 208, to adopt policies to prevent fraud, waste, and abuse in their programs. They must adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained. Section 210 requires that approval by commissions of applications for grants or other assistance must be predicated upon a determination that there will be proper administration, operation, and maintenance of the project to be undertaken.

In section 208 the Appalachian Regional Commission is encouraged to adopt standards of fiscal responsibility and management. The Committee expects such standards to be no less stringent than those proscribed for the other commissions by the Secretary. The Appalachian Regional Commission is also directed, in section 113, to evaluate, on an annual basis, its effectiveness in achieving the goals and objectives of its program.

Finally, section 210 requires all recipients of assistance from a commission and all contractors of a commission to keep complete records, to be available to any member of the commission or the commission itself, the Comptroller General, and, except for the Appalachian Regional Commission, to the Secretary. Those refusing to comply with this requirement shall not be eligible for further funding under this act.

Role of the Federal Cochairman

Section 204(b)(1) describes the expanded role of the Federal Cochairmen. As the Presidentially appointed partner to Governors, each Federal Cochairman has the dual responsibility for (1) communicating regional concerns of the State members to the Federal Government, and (2) presenting the national perspective to the regional commission.

Title III, the Regional Growth Policy Process Act, significantly enhances the role of the Federal Cochairman. As a statutory participant of the White House-Chaired interagency committee process, his responsibility is to assist in the implementation of regional development plans. He has an expanded role in the preparation and submission of commission budgets. The bill throughout encourages a greater advocacy role for the Federal Cochairman to encourage Federal departments and agencies to support commission plans, programs, and priorities.

The "Federal presence" in the person of the Federal Cochairman is an essential responsibility in the act. It is expected that such Cochairmen will assure commission compliance with applicable Federal fiscal and management requirements established in the act. It is vital that Federal Cochairmen represent the Federal interest in commission determinations with respect to: State maintenance of effort requirements (section 207(h)); commission priority for assisting areas of economic decline; the exercise of commission waivers of the 20 percent limitation on funds for innovative and demonstration projects authorized under section 207(b); the integrity of the relationship between the planning and policy process and project selections; and assuring adequate commission attention to problems and solutions shared by two or more States with each region.

The committee realizes that too little policy guidance has been provided in the past within the Executive Branch to assist the Federal Cochairmen in the exercise of their duties. With a national system of regional commissions and a national commitment to address certain problems at a subnational level, the absence of policy guidance and support inside the Executive Branch is no longer excusable.

Participation of Appalachian Commission Partners

The 1975 amendments to the Appalachian Regional Development Act included provisions to enhance the participation of the Governors as active members of the Commission. The response of the Governors to those amendments has been gratifying. There are a few matters of concern, however, which have been observed in oversight on the Commission's implementation of the 1975 amendments.

While the Governors themselves have been active, occasionally alternates to the State Members have been appointed who do not meet the act's requirement that they be members of the cabinet or of the Governor's personal staff. It is important that only State officials with decision-making authority at the cabinet level or who have full access to the Governor serve as alternates. In addition, it is important that such an alternate attend all the Commission meetings when the State member is not present.

To maintain full gubernatorial participation, Commission meetings at which a quorum of State members must be present should not have to address administrative matters, contract approvals, or personnel questions not involving policy decisions. Minor modifications of annual investment programs also do not have to be decided at meetings which include the personal participation of a quorum of Governors.

In 1975 the Committee was concerned primarily with the role of Governors in the Appalachian Regional Commission. Historically, the Federal Cochairman, as the representative of the President, has been a key participant in the unique partnership experience of the Appalachian Regional Commission since its inception in 1965. The committee intends that the Federal Cochairman remain an active participant in the partnership.

The Federal Cochairman, in partnership with the Governors of the 13 Appalachian States, is charged by statute with working to bring about the growth and economic development envisioned by the Congress in the Appalachian Regional Development Act. There is no question that the Federal Cochairman should be a visible spokesman for the Commission throughout the Region. However, even more important are his responsibilities in Washington. It is the Federal Cochairman's personal responsibility to attend Commission meetings, and to work in concert with the States to develop programs and policies that will help shape the future of the Region. The Federal Cochairman has a full time position with a unique opportunity to influence the future of Appalachia by personal participation in dealings with Federal agencies, the Congress, and within the Commission itself.

There may be occasional instances when the Federal Cochairman must be absent from his duties, and the statute provides for an alternate to serve in his place at those times, and when not serving as such, to perform duties assigned him by the Federal Cochairman. The basic functions of the Federal Cochairman are, of course, not delegable to the alternate or anyone else.

Appalachian Highways

As stated in the general statement at the beginning of this report, approximately 56 percent of the 3,025 miles currently authorized for the Appalachian highway system is either complete or under construction.

The Administration bill (S. 912) authorized $300 million for fiscal years 1980 through 1985 for the highway program. S. 835 as introduced contained a total of $3.5 billion for 7 fiscal years for this purpose. This was the amount calculated by the States to be necessary for the completion of the entire system. The committee reduced these amounts to levels more compatible with anticipated appropriation levels and with

expected construction capabilities. Section 106 of S. 835 authorizes a total of $2.03 billion for 5 fiscal years, as follows:

Fiscal year:	Millions
1981 (an increase of $180 million over existing authorization)	$300
1982	400
1983	450
1984	500
1985	500

S. 835 as amended also provides for a 33-mile increase in the authorized mileage for the system, from 3,025 miles to 3,058 miles. This increase is for centerline alinement and minor rerouting due to environment problems.

The committee is aware that the Commission prepares cost estimates for the Appalachian development highway system as a basis for allocating highway funds among the States. In the past, authorizations and funds have been distributed among the States according to each State's relative share of remaining costs to complete the system, with a maximum limit for any one State. Up to now this has been a workable policy.

However, the committee is also aware of the need to complete individual highway corridors and that some States have accelerated their construction programs utilizing their own funds and by prefinancing. Under present procedures, as States approach completion of their portion of highway corridors within the Appalachian highway system, their relative share of remaining costs diminish, thereby lengthening the time it takes to complete individual highway corridors. Therefore, in allocating authorization and funds in the future, the Commission should take into consideration the need to complete individual highway corridors and the efforts individual States have made to accelerate completion using their own funds on corridor segments in the past or future, as well as prefinancing.

The committee wishes to make clear that the present prohibition on the use of section 214 funds for highway or road construction is intended to preclude section 214 supplemental funding for the Appalachian development highway system or access road projects authorized under section 201 of this Act, or for Federal and highway programs under title 23 of the U.S. Code.

The committee agrees that the Commission may continue to supplement development projects under other Federal grant-in-aid programs which include incidental road construction as project components, such as the industrial site development programs authorized under title I of the Public Works and Economic Development Act or section 310B of the Consolidated Farm and Rural Development Act; or recreational development projects under the Land and Water Conservation Fund Act.

Appalachian Housing

The problem of adequate basic housing in Appalachia has been severe for some time, and appears to be worsening. Over one million Appalachian homes are substandard—either unsafe, with insufficient plumbing, or overcrowded—in some cases all three. This figure is more compelling when it is realized that in central Appalachia, 38 percent of the housing is inadequate.

Under the housing program of the Appalachian Regional Commission, site development grants and planning loans have resulted in the construction or repair of an additional 1,900 homes. Technical assistance funds have been used by all 13 States to strengthen the technical competence of low and moderate income housing sponsors, and ten States have established an Appalachian housing fund to stimulate housing production in the region.

One of the primary reasons for the lack of adequate housing is the fact that there is not enough land suitable for development. In many cases, especially in coal-producing areas, the only land flat enough to build on is located in the flood plain, and is subject to frequent devastating floods. Due to the competition with industry for available land, building sites for housing are frequently sold at premium prices.

Another unique problem exists in some areas of Appalachia, particularly in West Virginia. In the southern part of this mountainous State, 10 major landholders own 90 percent of the land. If they are unwilling to sell the land for housing development, and this has proven to be the case in many instances, there may be no way to make the land available.

Section 108 of this legislation expands the existing section 207 of the Appalachian Regional Development Act to enable site development funds to be used for land acquisition for low- and moderate-income housing. The monetary limitation for grants and loans for site development purposes is raised from 10 percent to 25 percent. Any reduction in costs of housing units attributable to land acquisition under this section shall accrue to ultimate purchasers or tenants, and not to any profit-making entity.

Section 207 is further expanded to allow the Secretary of Agriculture, at the request of a State within the commission, to use land acquisition and condemnation authority under section 601 of the Powerplant and Industrial Fuel Use Act when land for housing cannot be obtained in any other way. The Appalachian Commission is also directed to undertake a demonstration of incentives or programs to attract large-scale housing developers to the Appalachian area.

Child Development

One of the most valuable programs developed under the Appalachian program has been the child development demonstration program.

The program was initiated to respond to the severe health problems and high mortality rates among infants and children of the region. Each of the States have begun early child development programs and are beginning to address the health needs of young children. This activity has enabled many low-income and single-parent families to augment their income by freeing family members to find employment while their pre-school children are being cared for. It is also an effective learning experience for these children.

The 1975 amendments allowed commission funding for the operation of child development centers to be continued for an additional two years beyond the 5-year limitation placed on all demonstration projects. This extension was granted because many of the worthwhile programs were having difficulty finding other funding sources for continued operation. During the extension period, the Commission and the States were to renew efforts to secure other funding.

Section 107(b) of S. 835 amends section 202(c) to permit continued operational funding for these centers upon the request of a State. The amendment applies only to those projects supported in fiscal year 1979, and is not intended to restore or resume funding for projects whose grant funds ceased prior to that time. Projects initially approved after September 30, 1979, must conform to the existing 5-year limitation. The committee supports current Commission policies which promote and assist projects funded under this section to achieve earliest possible independence from ARC funding. The ability of States and local project sponsors to attract other public and private resources to maintain activities stimulated by flexible ARC aid is vital to the ARC demonstration process and its ability to generate new programs in underserved areas. The Committee does not intend that the Commission become a direct operating program agency. Discretionary grants made in accordance with this amendment will follow the normal Commission approval process and will be included in state Appalachian development plans and programs, prior to being submitted by the Governor.

Business, Railroad, and Energy Resource Activities

S. 835 as amended adds a new section to title II of existing law authorizing the Appalachian Regional Commission to make grants for the stimulation of agriculture, mining, construction, manufacturing, commercial, and other economic activities. Such grants can be made for business related technical assistance, establishment of revolving funds for business, agricultural and forestry enterprise loans, acquisition and rehabilitation of rail properties by public bodies, and projects for development, production, utilization and conservation of energy resources. States may carry out such activities directly or through the private sector, public bodies, or private nonprofit organizations.

With regard to the railroad activities authorized by this section, acquisition or rehabilitation of rail properties must be deemed critical to State investment plans. The Federal share for acquisition is limited to no more than 80 percent of the total cost, and Federal funding for rehabilitation can be no more than 50 percent. Neither acquisition nor rehabilitation grants may be made for rolling stock.

Incentive Grants

Section 206 of S. 835 authorizes the Secretary to provide technical assistance and incentive grants to commissions. Each commission, in turn, is authorized to provide technical assistance to States, substate areas, and urban and rural communities.

Incentive grants to commissions by the Secretary are authorized for purposes such as improved coordination of development programs and planning; encouragement of procedures enabling Governors to participate in regional growth policy; development of cooperation of State and commission activities augmenting national energy, export, and urban policies; and encouragement of other special activities.

The committee amended this section by adding two additional technical assistance authorities for all commissions. Commissions are authorized to provide assistance to communities in maintaining, restor-

ing, or augmenting commercial air passenger service, excluding capital assistance or operating subsidies.

Further, each commission is directed to investigate, seek opportunities for, and report on the use of technical assistance and demonstration authority under this subsection and under section 207 to increase the use of solar energy equipment in residences in its region. Commissions are to assist in the standardization of such equipment, to encourage financing by regional credit institutions and Federal programs of installations of such equipment, and to facilitate inclusion of solar energy equipment installation costs in residential mortgage financing. Commissions are authorized to conduct pilot projects to put into practice the findings of such investigations.

The incentive grant authority in section 206 is an important element of this legislation. It is designed to further encourage commissions in their efforts under this Act, by providing funding for additional activities to those commissions displaying a determined effort to move forward in addressing regional economic problems.

Funds under this section are not to be used for State personnel or administrative costs which should be borne by the States. General concern has been expressed about the shifting of administrative costs to the Federal share of commission funding. The committee intends this matter to be addressed by the Secretary and all of the commissions in establishing rules and regulations.

Commission Authorities

Section 207 includes program authority for the commissions. Existing law is expanded to make clear that commission funds may be spent for broad spectrum of economic activities, including transportation, energy development and conservation, environmental and natural resource management agriculture, and development of indigenous arts and culture.

The bill continues the authority of the commissions to supplement other ongoing Federal programs, to provide "first dollar" and to undertake innovative projects which can not be initiated under other Federal agencies. The bill places a 20-percent limit on the amount of funds the commission may use to undertake innovative projects or demonstrations. A waiver is provided where a commission can show that a larger percentage necessary to carry out a major objective of the commission plan. The Committee is aware of the flexibility provided in the demonstration authority and that, indeed, much of the commissions' effort is to develop new approaches to problems. This flexible authority, however, can be abused and becomes a means of substituting commission funds for other investments in the region. The Committee wants to make clear that this authority will be used only where necessary and on innovative programs.

This section imposes a 5-year limitation on funding any component of any project under this Act, the existing Appalachian Regional Development Act, (Public Law 89–4, as amended,) or the Public Works and Economic Development Act (Public Law 89–136). Funding may be made for up to 80 percent of project costs. Grant approval is contingent upon certification by the Commission that the project is truly innovative.

Grants for project operation may be made only for nonprofitmaking projects for which funds are not available under any other Federal, State, or local program. Such grants may be up to 100 percent for two years from the commencement of project operation, and up to 75 percent for the following three years, after which time no grants may be made for project operation.

The section further specifies that financial assistance under this Act may not be provided to assist in the relocation of private establishments or to enable private contractors or subcontractors to undertake work previously performed in another area by other contractors or subcontractors.

Cultural resource development has been included as an important element in promoting balanced social and economic regional development, with funding for developing and carrying out programs that promote cultural resources development and growth, for research on the conservation and utilization of cultural resources, and for incentive grants at the State level to develop a unified set of development objectives.

Cultural resources are "people magnets"—stimulating tourism, attracting ancillary businesses, and encouraging rehabilitation. They generate large cast flow for a modest investment, and also provide jobs in supplying goods and services while humanizing the environment. Cultural resources are the human and physical assets which contribute to the creation of fine and folk arts, music, theater, dance, literature, design and architecture, including those traditional academic and other institutions and groups which practice, preserve and transmit such arts.

REGIONAL DEVELOPMENT COUNCIL/OFFICE OF REGIONAL DEVELOPMENT

Section 208 establishes a procedure for the Secretary to provide Federal policy guidance to the Federal Cochairmen. A Regional Development Council is established to serve as a mechanism for consultation on policy and administrative improvements in the program established under this act. This Council is to be composed of the Federal Cochairmen, and shall participate in the liaison and coordination responsibilities under section . The Council Chairman shall be selected by the Secretary after consultation with the members.

Additionally, this section directs the establishment in the Department of Commerce of an Office of Regional Development, to be headed by a Director appointed by the Secretary, after consultation with the Chairman of the Regional Development Commission and composed of such staff as necessary. This office is to assist the Secretary in carrying out her responsibilities under this act. In addition, the office is to assist commissions in their budget preparations and in their relationships with each other, as well as providing technical and support services as necessary to the Secretary and the Federal Cochairmen. Other related responsibilities are described in the section.

The Secretary is directed to assure that commission activities are consistent with this act by specifying minimum standards of fiscal responsibility and management, and by adopting procedures and regulations governing recognition of regions and boundary changes, record-keeping, administrative policies, and establishment of a man-

agement information system. The section also spells out other accountability requirements discussed elsewhere in this report.

Maintenance of Effort

S. 835 was amended to include a maintenance of effort and substitution section. Section 221 of the Appalachian Regional Development Act (Public Law 89–4) contains a maintenance of effort provision which is intended to assure that the States not view the act as an opportunity to divert from Appalachia those State funds which would have been spent if the Appalachian Act had not been enacted. This section requires States to maintain the same level of expenditures in the Appalachian portions of their States as was spent in the last 2 full fiscal years preceding the date of enactment, that is 1963 and 1964.

The recent report of the General Accountnig Office on the Appalachian Regional Commission suggested that it may be more appropriate to use "proportionate" levels of expenditures rather than "aggregate". The Committee chose instead, in section 207(h), to restate the maintenance of effort provision in an amended form, making it applicable to all regional commissions. The new base line for calculating past State expenditures will, however, be fiscal years 1977 and 1978.

The commissions are directed to give funding priority to areas affected by economic decline. Activities in areas experiencing rapid growth problems should be primarily directed to basic service needs.

The Committee suggests that the records to be kept by the commissions as required by these amendments should include data which will enable the commissions to monitor State financial participation in their programs.

The Committee has always been concerned that this program not be viewed as simply another conduit of Federal funds and that the States not use these funds to supplant other funding sources.

In its report on the Appalachian programs, the General Accounting Office indicated an increased use of that commission's first dollar authority and recommended the committee place a limit on the use of these funds. The committee does not believe a fixed limitation is warranted at this time, but is concerned about the increasing use of first dollar authority. The committee believes that the commissions need the flexibility provided by the first dollar authority. Regional policy is not bound by the availability of funding and gives commissions leeway in meeting their objectives. The committee is concerned, however, about excessive use of this authority. One of the primary goals and responsibilities of the commissions is to influence other Federal programs. Through excessive reliance on first dollar authority, the commissions duplicate existing programs and tend to become a direct, categorical grant program—a role that has never been intended for the commissions.

The committee believes the commissions must give more attention to this matter and take more effort to tap other funding sources. To assist the commissions in assessing the use of and need for first dollar funds, each annual investment strategy should identify where first dollar money is used.

The committee will continue to maintain a strong interest in this area.

Civil Service

Section 104 extends Federal employment and retirement benefits to Appalachian Regional Commission and title V commission employees whether o. nor they were previously Federal employees.

In accordance with existing legislation, ARC employees who were employed by the Federal Government immediately prior to Commission service are eligible for Federal retirement, life, health and disability programs. In establishing benefits for other Commission employees, the Commission has tried to provide comparability for all. With recent changes in the Social Security law and the Federal benefit system, the cost of providing comparability outside the Federal benefit program makes this virtually impossible. It is unfair to those who came to the Commission from State government, local communities and the private sector to receive lesser benefits than those who came from the Federal Government. Therefore, the bill authorizes the Office of Personnel Management to contract with the Commission for staff members' benefits. As the costs of benefits for the Commission staff are shared jointly by the Federal Government and the States, the savings realized would accrue to the Federal Treasury as well as the States.

Appalachian Boundary Study

From time to time since the inception of the Appalachian regional program, States have requested that additional counties be included within the Appalachian region. Such requests were received this year for several counties in Virginia and New York.

With the expansion of the regional commission concept to the rest of the Nation, the problem naturally arises of whether counties contiguous to the Appalachian region should be incorporated into that region or remain in another region established or recognized under this act.

Section 115, therefore, directs the Appalachian Regional Commission to conduct a study. The study shall evaluate the social and economic characteristics of the counties in the Appalachian region and contingous to it with the goal of identifying, to the extent possible, those characteristics which counties within the region have in common and which therefore constitute reasonable standards for transfer in or out of the region.

The study is to be conducted in conjunction with the Presidential study of commissions and Federal Regional Council boundaries mandated in section 308, and the study results and recommendations are to be submitted to the Congress no later than 2 years after enactment of this act.

Border Resource Research Institutes

Section 309 of S. 835 as amended authorizes the establishment of a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission.

The section requires the Commission to designate one university in each of the States of California, Arizona, New Mexico, and Texas for the purpose of initiation and support of research programs into border resource problems.

Once the Border Commission has designated the four Border Resource Research Institutes and rules and regulations have been drafted, a reasonable annual level of funding for the institutes at the outset would be $250,000 per institute.

The committee realizes that the Research Institute program is new and must be meshed with other Southwest Border Commission efforts. Consequently, the committee recognizes that funding levels for this program must ultimately be determined by the Commission and implementation of the program may be in stages.

The designated universities need not be in one of the counties under the Southwest Border Commission, except when practicable. Instead, the Commission should select the university within the State that has the best capability to undertake studies on border resource problems.

Alaska Regional Commission

In addition to reauthorizing existing commissions, the reported bill recognizes a development region embracing just the State of Alaska and requires the Secretary, at the request of the Governor of Alaska, to establish the Alaska Regional Development Commission no later than October 1, 1979.

This action is based on two findings. First, section 502(f) of the Public Works and Economic Development Act currently authorizes the establishment of certain single-State regional economic development commissions, including Alaska. Second, the committee decided that the State of Alaska meets all the criteria for designation as a development region set forth in this bill.

The circumstances of geography and size call for a unique approach in Alaska. These circumstances result in the existence of several regions within the State which are distinguished from each other by cultural, climatological and economic attributes. Three geographically distinct native groups (Eskimo, Indian, and Aleut) and the dispersed character of timber, fishery, mineral and tourism sectors of the economic base contrast with the similarity of each Alaskan region's difficulties with transportation, communication, social services, promotion of exports, the high cost of living, the high unemployment rate, and the constant battle with a hostile climate.

Upon consideration of these issues, it appears appropriate for Alaska to form a single State commission. Therefore, section 202(c) of the bill recognizes Alaska as the Alaska development region. Section 203(a) requires the Secretary of Commerce, at the request of the Governor of Alaska, to establish and operate the Alaska Regional Development Commission no later than October 1, 1979.

In addition to having all the duties of other commissions, section 204(d) authorizes the following activities which may be undertaken by the Alaska Regional Development Commission: (a) review resource inventories of Federal agencies; (b) review and make recommendations to the Federal Government and State legislature on land use plans and proposed activities; and (c) assist Alaska Native regional corporations in preparing land use plans.

Section 307(c) of the bill authorizes a study by the Secretary of Commerce of the desirability of creating a joint Federal-State Economic Development and Land Use Planning Commission for Alaska,

with land use planning and classification powers. This study is to be completed not later than one year after the establishment of the Alaska Regional Development Commission and is to be conducted in consultation with the Secretaries of the Interior and Transportation and the Governor of Alaska.

Rollcall Votes

Section 133 of the Legislative Reorganization Act of 1970 and the rules of the Committee on Environment and Public Works require that any rollcall votes be announced in this report. During the committee's consideration of this measure six rollcall votes were taken. Each of those votes was publicly announced during the open meetings of the committee for marking up this legislation. The tabulation of the votes is available in the offices of the committee. S. 835, the Regional Development Act of 1979, was ordered reported on May 9 by a vote of 12 to 2. Senators Randolph, Muskie, Gravel, Bentsen, Burdick, Culver, Hart, Moynihan, Stafford, Baker, Domenici, and Pressler voted in the affirmative, and Senators Chafee and Simpson voted in the negative.

Regulatory Impact

The committee believes that this legislation will cause no change in regulatory activity by the Federal Government, or by private business.

Cost of Legislation

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the Committee's estimate of the cost of the reported legislation, together with estimates prepared by any Federal agency. S. 835 as amended authorizes Federal expenditures of $2,765,500,000 for fiscal years 1980 through 1983, and an additional $1 billion for the Appalachian highway system for fiscal years 1984 and 1985. These amounts are allocated as follows:

Title I: Appalachian Regional Development Act Amendments:	
Administrative expenses:	
1980-81	$7,000,000
1982-83	8,500,000
Highways:	
1981	180,000,000
1982	400,000,000
1983	450,000,000
1984	500,000,000
1985	500,000,000
Nonhighway programs:	
1980-81	340,000,000
1982-83	380,000,000
Title II: Regional Commission Act:	
Programs:	
1980	250,000,000
1981	250,000,000
1982	250,000,000
1983	250,000,000
Total	3,765,500,000

Section 403 of the Congressional Budget and Impoundment Control Act requires each bill to contain a statement of the cost of such bill prepared by the Congressional Budget Office. The report follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., May 15, 1979.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works, U.S. Senate, 4204 Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 835, the Regional Development Act of 1979.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

MAY 15, 1979.

1. Bill number: S. 835.
2. Bill title: The Regional Development Act of 1979.
3. Bill status: As ordered reported by the Senate Committee on Environment and Public Works on May 7, 1979.
4. Bill purpose: The bill authorizes the creation of regional commissions and provides a framework for these commissions to coordinate the development efforts of Federal, State and local governments in most areas requiring intergovernmental cooperation. The bill also extends the authorizations through 1983 for the Appalachian Regional Commission and title V of the Public Works and Economic Development Act of 1965, and it makes existing regional commissions part of a nationwide system of multi-State regional development commissions to promote balanced development in all region of the Nation.

TITLE I—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1979

Title I authorizes appropriations for the Appalachian Regional Commission (ARC), the Appalachian development highway system, and for the nonhighway, regional development activity of all commissions covered by the bill. The title also clarifies the status of existing commission employees within the new commission framework and adds new grant authority for projects involving methods of meeting the human services needs in the region.

Title II of the Appalachian Regional Development Act of 1965 is amended by adding a section designed to stimulate economic investment by providing funds to States to make grants and establish revolving funds for business loans. Grants under this authority are directed toward transportation systems infrastructure, specifically rail and air service.

TITLE II—REGIONAL COMMISSION ACT OF 1979

This title establishes the intent of Congress that every area of the Nation be included as part of a development region and be represented by a regional development commission. All existing commissions (the Appalachian Regional Commission and all commissions created through title V of the Public Works and Economic Development Act of 1965) are automatically covered by authorities established in this act, subject to boundary changes authorized by the bill. This title specifies the procedures for creating commissions, their mission, and their role in the intergovernmental regional development process. New commissions require the written initiative of the governors of concerned States and will function according to procedures specified in the act. The bill creates an Office of Regional Development within the Department of Commerce to support regional commissions at the Federal level.

TITLE III—REGIONAL GROWTH POLICY PROCESS ACT

This title establishes an interagency committee to coordinate and support regional commissions and the Federal Government in determining policies and recommendations which will further the programs supported by this bill. In addition, it establishes the requirement for annual development plans for each State in each region and further requires each regional commission to prepare multiyear development plans and annual investment strategies.

Section 309 of title III establishes a system of Border Resource Research Institutes under the jurisdiction of the Southwest Border Regional Commission (SBRC) to address issues crucial to the area. Funding would come from SBRC funds.

The authorization levels established by this bill allow the ARC and other existing commissions to be funded at the level requested by the President for fiscal year 1980. The President's 1980 budget request includes $208.6 million for regional commissions, excluding Appalachian highway funds. The bill authorizes approximately $423 million for those same activities. Additional funds, in excess of the President's request, are provided for all regional commissions for grants and development support activities.

5. Cost estimate:

[In millions of dollars]

Estimated authorization level:[1]	
Fiscal year:	
1980	423
1981	604
1982	844
1983	804
1984	500

[1] For the purpose of this estimate, when specific amounts are authorized to cover a 2-year period (that is, sections 105 and 401 of the Appalachian Regional Development Act of 1965), one-half of the authorized amount is shown in each year. The budget impact of this bill does not include $300 million in fiscal year 1979 and $170 million in 1980 previously authorized for the Appalachian development highway system.

In addition to the amounts shown in the above table, the bill authorizes $500 million for the Appalachian development highway system in 1985. A total of $1.6 billion in outlays from the authorizations in this bill will be incurred after fiscal year 1984.

Including existing authorizations, total funds authorized for these programs are approximately $723 million in fiscal year 1980 and $774 million in 1981.

The costs of this bill fall within budget function 450.

[In millions of dollars]

Estimated outlays:	
Fiscal year:	
1980	172
1981	333
1982	468
1983	635
1984	588

6. Basis of estimate: For the purposes of this cost estimate it is assumed that all authorized funds are appropriated and are available at the start of each fiscal year. The portion of costs attributable to the ARC is assumed to be spent at rates equal to the program's recent spending pattern, with highway and nonhighway spending treated separately. Of the sum authorized by section 113 of the bill, an amount equal to the President's 1980 budget request for ARC nonhighway programs was assumed to be allocated to those programs, with that value inflated in fiscal years 1981 to 1983 by the CBO inflator for the gross national product. The balance of the authorization was assumed to be distributed to regional commissions established by title II of this bill.

To estimate the outlays associated with title II it was necessary to make some assumptions about the number and nature of restructured regional commissions. For the purposes of this estimate it was assumed that the eight existing regional commissions would continue to operate essentially as in the past. Funding for these programs was assumed to be equal to the President's fiscal year 1980 request plus a prorated share of any additional funds. These funds were assumed to be spent at historical rates.

To meet the mandate for new commissions it was assumed that eight additional regional commissions would be recognized in fiscal year 1980. It was further assumed that these commissions would incur administrative expenses similar to the existing commissions, adjusted for startup costs and partial year administration expenses. Grants and other assistance from these new commissions were assumed to start late in fiscal year 1980 with normal activity first occurring in fiscal year 1981.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 15, 1979, the Congressional Budget Office prepared a cost estimate for H.R. 2063, a bill which reauthorized the Appalachian Regional Commission and amended title V of the Public Work and Economic Development Act of 1965. The relevant portions of each bill are similar, except that the House provided authorizations for only 2 years in most instances and did not establish a number of reporting requirements provided for in S. 835.

9. Estimate prepared by: Linwood T. Lloyd (225-7760).

10. Estimate approved by:

C. G. Nuckols
(For James L. Blum,
Assistant Director for Budget Analysis).

HEARINGS

The Subcommittee on Regional and Community Development held 3 days of hearings on this legislation: April 3, 4, and 5, 1979. Issues relative to the subject of this legislation were also discussed in full Environment and Public Works Committee hearings on the proposed fiscal year 1980 budget requests for the Appalachian Regional Commission and the title V commissions. These hearings were held on February 21 and 22, 1979.

MINORITY VIEW OF MR. CHAFEE

As I said in our subcommitee on May 7, referring to the title V commissions:

> We are taking a program that is existing and we are changing it; we are broadening it in a period when we are trying to reduce the pervasive impact of the Federal government on everybody's lives.

These commissions have not achieved their purpose, to date, of trying to foster multistate cooperation in meeting challenges. It is essential that these commissions first prove they can achieve this purpose before we give them a broader mandate.

All too often, title V commissions have become a method of receiving Federal money which is then simply divided amongst the states according to population. In fact, only 20 percent of their projects have been interstate in nature. Because of this, I have tried in the last few weeks to restrict the broadened mandate that this bill encompasses. As the recent audit by the Department of Commerce state,

> The "regional" aspect of the title V program is the one unique quality that distinguishes this program from similar government program concerned with economic development.

Unless this program develops some form of accountability that ensures the funding of truly regional projects, it will not receive my full support.

I have offered several amendments that have strengthened the concept of regional and focused the program on its original goal of aiding distressed areas. For instance, the committee agreed with my motion to limit the primary purpose of the commissions to aiding declining areas.

As regards the Appalachian Regional Commission, I do not believe that its powers should be broadened, mileage added to its highway system and the spending authorization greatly increased (it uses from $450 million in the current fiscal year to $640 million in fiscal year 1983) when already its authorizations and appropriations are far greater than all the title V's combined ($368.7 million appropriated this year for ARC versus $63 million for all the others).

ARC and the title V's were originally conceived to help distressed areas and were to last a finite time. Now they have grown into a nationwide system of cor missions constantly conceiving of new rationale to justify their existence, and all viewed as permanent.

The time has come gradually to scale down authorizations for all these commissions with a view to blending their current responsibilities into existing Federal programs.

JOHN H. CHAFEE.

MINORITY VIEWS OF SENATOR SIMPSON

This legislation proposes to make permanent and extend the scope of a cluster of subnational quasi-governments known as Regional Development Commissions. Composed of Governors of the States lying within regional delineations of the country and a Federal cochairman—who has veto power over expenditures of Federal funds—the "title V commissions" are so named from their charter, title V of the Public Works and Economic Development Act of 1965.

The purpose of that act was to "help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development." It was directed to "depressed areas", as they were then termed not only as a humane effort for the people of those neglected areas but also in the broad interest of a healthy national economy. Title V—which established the Regional Action Planning Commissions and which the bill before the Senate proposes to replace while also extending the authority of the separately organized Appalachian Regional Commission—begins by setting forth in section 501 the criteria for identifying seriously lagging regions: high unemployment, low family incomes, poor housing, a single or two-industry economy in long-term decline, substantial outmigration of labor or capital, and the like.

The Regional Commissions were presented at that time as temporary institutions, designed to direct sharply focused assistance to clearly defined problem areas which were unresponsive to the general growth patterns of the national economy—geographic areas suffering an underlying and intractable problem requiring extra-ordinary effort. In short, the Commissions were intended to be a kind of special task force addressing unique and severe problems. They were to concentrate the attention of the participating Governors, together with Federal funds and technical assistance, not only on ameliorating the manifest effects, but also to attack the root cause of distress.

I have reviewed this history because I consider the proposal now advanced to be wholly different—and that it cannot, therefore, be considered simply an extension of the title V commissions as originally conceived and generally accepted. The present proposal is, of course, one that comes to the Congress from the participants in the Regional Commissions and their advocates, so in that sense it is an extension of their hopes and desires for this form of "shadow government."

That this is so may illustrate several things: (1) the natural growth of a bureaucracy once established; (2) the building of a constituency where Federal funds are in prospect; (3) the difficulty of disbanding an organization when its term is done or its task mainly completed; or (4) the passion for coordinated planning and paperwork which may soon overwhelm constitutionally established State, local and Federal Government.

What began as a sharply focused effort directed to limited geographic areas in crisis or chronic distress is now to cover the entire United States "wall to wall."

What began as criteria of distress—the high unemployment and low income guidelines of section 501—has now been abandoned in favor of a type of planning for change through the growth policy process.

What began as "seed money"—supplemental funds designed to attract other Federal, State and local funds—became "first dollar money"; that is, extra funds whenever State priorities or Federal budgets failed to reach the desired project. Next comes 100 percent "demonstration project" funds. There is a curious type of logic here, as in the 50-percent matching programs of yore, which required a State or local "share" to be paid by communities of limited income, and now many of these programs are already 75 or 80 percent Federally funded. The "leverage" effect is to be found instead in the attempt to pry loose additional projects which might otherwise fail the criteria established by the Congress. The "multiplier" is a demonstration project which can be regenerated with Federal funds derived from all taxpayers.

What began as a tightly knit task force directed to priority goals has now become an organization which wants to coordinate all available Federal programs and play power broker for the taxpayer's dollar.

It will be argued that this reorientation of purpose, this change in the philosophy behind the title V commissions should come as no surprise; the trend has long been evident. That is appallingly quite true. The latest fashionable mode for regional commissions to embrace was most recently and effectively presented at the White House Conference on Balanced National Growth and Economic Development, sponsored by the chairman and members of the Senate Committee on Public Works and held in January 1978 as a precursor to the development of this legislation. The precise question before the Congress—upon which we are asked to vote—is whether or not to enact into law the direction of that Conference, as distilled and defined by the administration acting through the Department of Commerce in cooperation with representatives of the National Governors Association.

S. 835 as introduced, and the administration bill as reported by the House Public Works Committee, proposes "a nationwide system of multistate regional development commissions to promote balanced development in the regions of the Nation." The first purpose of that bill was

> planning for growth and change so as to maximize the social and economic benefits and to minimize the costs in activities which will improve the quality of life for the people in all the regions of the Nation.

I compliment my sincerely motivated colleague, Senator Chafee, in his capacity as ranking minority member of the Regional and Community Development Subcommittee, for his success in eliminating this stunningly broad purpose, and in striking the mandate to create a new political action device. He attempted to hold to the intention of existing law, by directing the clear purpose of the bill to "shared and interstate regional problems of economic decline and dislocation due to rapid growth." I am afraid, however, that these and the other improvements secured in subcommittee, substantial as they are, cannot change the

basic direction given throughout the bill, or the intent of the Administration and the zealous advocates and wily bureaucrats of the title V commissions who support it.

To discover this underlying direction and intent, it is necessary only to review title III of the bill, which I commend to my colleagues for its instructive text:

Section 302, for example, requires the President to establish a committee chaired by "a senior White House official," who is instructed to periodically call on the carpet the heads of various Federal departments and agencies so as to determine whether or not they are carrying out the regional development plans prescribed by the bill, who presumably will knock heads to get "the resolution of any issues" between the regional commissions and the line agencies, and who will fix a schedule "for review and response" to commission plans by the rest of the Federal Government. So begins title III, which we will come to know as the Regional Growth Policy Process Act.

The record of the regional commissions over the past 12 years has been decidedly mixed: some successes with mostly indifferent results, and when a bad result surfaces it is usually blamed on a lack of Federal funds, or upon confused authority. Except, that is, for the Appalachian region, which has been handsomely funded, where life has improved and where in its central region, which elicited the 1965 national response, coal field poverty is being daily exchanged for the problems of boom and "energy impact."

Most recently, the commissions have been criticized through careful and responsible audits by the Department of Commerce and the General Accounting Office. Their findings support observations made by knowledgeable experts for years: that the projects selected often are not regional, that clear priorities and specific objectives are neither formulated nor followed, that even after 14 years goals are not quantified nor progress measured against the goals.

There is simply no way to determine how much of the job has been actually accomplished in the last 2 or 5 or 14 years—or when, if ever, the work of the Regional Commissions will be completed. For example, the GAO report to the Congress of April 27, 1979, addresses—

> Problems and issues that need to be resolved by the Congress, the Office of Management and Budget, and the Commission before the Appalachian experience can be expanded to a nationwide system of multi-State regional commissions.

These evaluations are usually met with much strident philosophical rhetoric, and the full jargon of "creative federalism."

I can perceive four alternative outcomes if this legislation is enacted:

First, its rhetoric would become real, establishing a new political system coordinating all the rest of government; producing economic development planning, growth planning, and land-use planning; successfully presenting before the executive and legislative branches of the Federal Government regional views in which are incorporated State and grassroots goals—while in turn reflecting national policy back down the chain to the regional, State and local levels. Who can believe this will actually occur? It may be a worthy vision, but I think

we would be on fragile and treacherous ground if we believe writing this dream into law will make it so. It smacks of a total lack of confidence in the present American systems of government as we know them—at all levels. Passage of the legislation would implement the full coordination and planning potential of the adminstration bill and S. 835 as introduced. It would not, alone, require large project authority or grant funds. The great paradox of the administration bill, of course, is that this proposed mechanism of such enormous scope is accompanied by a request for only negligible funds in the President's budget.

So a second outcome could be that, realistically and hopefully, the proposed regional growth policy process will never replace the present institutional forms of government. The chief result of enacting this bill would then be only to open the doors of the treasury to rapidly increased funding for the title V commissions. Its advocates may well anticipate multiplying this year's budget of $74 million by tenfold, and then by 10 again. That would not be inconsistent with "parity with Appalachia." It would provide a wonderful cornucopia, largely outside established restraints—such as local taxpayer wrath—and in any event we would greet a new set of players at the game board.

A third outcome could be the limitation of this program to sharply defined areas having special needs of such severity that they merit a specific national contribution for their remedy. It would require each commission to settle on one or two high priority objectives—tackle them, stick to them, and attain them. This is the approach I understand Senator Chafee, to his credit, pursued in subcommittee. But the record of the commissions, including Appalachia, raises great doubt as to their ability or desire to set quantified goals, or to faithfully devote their resources to the specific accomplishment of those established goals.

A fourth outcome could be that even if this legislation is enacted—with all of its high blown promise, and with all its barely submerged hope of grasping at future billions—the Regional Commissions will continue to be ineffective and superfluous. They may continue to be largely ignored, even if given a desk in the White House. But they would retain their extraordinary capacity for stimulating more studies, more think tank capers that demand coordination and signoffs, and a fixed base of operations for yet another set of novel planners. Failing the great new institutional promise, lacking the great escalation in program and project funds, they could remain small and somewhat useful bureaucracies—just as they were originally intended.

To assure that hoped for outcome, however, we need no bill at all.

ALAN K. SIMPSON.

ADDITIONAL VIEWS OF SENATORS BAKER, CHAFEE, DOMENICI, STAFFORD, AND SIMPSON

During the markup of this bill, we opposed the adoption of the provisions establishing a special commission, with broad authority over land use in the State of Alaska. These appear as sections 204(d) and 307(c) in the bill. No hearings were held on these provisions, and legislative language on these subsections was not presented during markup to the committee for its consideration.

The issue is not whether Alaska should be eligible for a separate title V commission. That, indeed, may be reasonable. Rather, we oppose the special character of this commission for three basic reasons:

First, the language of this provision States that the Commission may "review and make recommendations * * * (on) land use plans and proposed activities" and "assist Alaska Native Regional Cooperations * * * in preparing land use plans." We believe that such language establishes a dangerous precedent for extending potential land use authorities to other title V Commissions. That is not, and should not be, the responsibility of these commissions.

It is difficult to find a more politically explosive issue than Federal involvement in local and state land use planning. The battles on this issue have been fought both in committees and on the floor over successive sessions of Congress. Regardless of the merits of Federal involvement—even at the request of the particular State in question—this bill presents neither an appropriate time or place or such legislation. These amendments are an attmept not only to circumvent the Congressional process with regard to Alaskan lands, but also the congressional process with regard to Federal land use planning generally.

Second, these amendments establish the Secretary of Commerce, rather than the Secretary of the Interior, as the focus for this land-use intrusion in Alaska. It should be noted that a land-use commission has existed for Alaska since the early 1970's.

Third, we do not believe that the volatile issues relating to the designation and use of Alaska lands should be determined or affected in this fashion, without benefit of hearings or more thorough evaluation. While we may have disparate views on the issues relating to the proper use of Alaska lands, we are agreed that such a determination should not be considered in the context of the title V program. Resolving the Alaska lands issue is the responsibility of the Congress, which has undertaken that process in other legislation through other committees, with hearings. The back-door approach in this legislation merely muddies the water, and could delay or subvert a reasonable solution.

For these reasons, we oppose strongly the adoption of these provisions in the Committee bill.

HOWARD H. BAKER.
JOHN H. CHAFEE.
PETE V. DOMENICI.
ROBERT T. STAFFORD.
ALAN K. SIMPSON.

Changes in Existing Law

In the opinion of the committee, it is necessary to dispense with the requirements of subsection (4) of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate.

○

MIKE GRAVEL
ALASKA

United States Senate

WASHINGTON, D.C 20510

September 13, 1979

The Honorable Arliss Sturgulewski
Alaska State Senate
2257 Sheldon Jackson
Anchorage, Alaska 99504

Dear Arliss:

Thank you for your letter of August 10 concerning S. 835.

As reported by the Senate Environment and Public Works Committee, S. 835 included a provision that would mandate the creation of the Alaska Regional Development Commission. Despite the fact that this Commission would be the only single state commission, the Committee decided that Alaska constituted a region unto itself and deserved a planning body that would focus its attention on the subcontinent of Alaska. Included in that provision was permissive authority for the Commission to review and make recommendations with respect to resource inventories and land use patterns. Also included was a study to find out how the linkage between economic development and the disposition of land resources could be strengthened within the institution of the regional commission. These provisions are described on page 20 of the enclosed committee report.

In floor action on the bill on July 31, the Senate decided to drop the permissive land evaluation authority and the study. In my judgement, this action was taken because of misplaced fear that these provisions constituted federal involvement in land use planning. However, following the vote, a short colloquy between myself, Senator Bumpers and Senator Stafford made it clear that the Alaska Commission is not prohibited from examining land disposition questions as long as they are related to the economic development function of the commission.

The authorization for an Alaskan Commission is still contained within the legislation. I expect to be a member of the conference committee that discusses this legislation with the House of Representatives and I have every reason to believe that the legal authority for the creation of the Alaska commission will be enacted this year.

Please let me know if you have any comments or further questions after your review of the enclosed committee report.

Warm regards.

Sincerely,

Mike Gravel

MG:ra
Enclosure

HB
947

COMMITTEE REPORT

SENATE

FURTHER: None

4/14/80

Date: 5-8-80

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSHB 947

term of office of borough assemblyment

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)

[X] replace with CS for CSHB 947 [ ] same title [X] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Tom Kelly

Tom Kelly

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Patrick Rodey

Victor Stevens Jr.
CHAIRMAN

Do Pass

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXVIII

SENATE C/RA // Chairman Sturgulewski
Committee

Side Number 1

Date: 5/8/80 to ---

PRESENT: Senators Kelly, Rodey, Stimson
Absent: Senator Rodey

Bill Numbers Discussed

SCSCS HB 947									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/8/80 1:30 p.m	000	SCSCS HB 947	Chairman Sturgulewski/ Summary
			Ginny Chitwood
	364		Lee Sharp / Juneau City/Borough Attorney
			Suggested amendments
	506		Sen. Stimson moved to adopt CS of this date.
	547		" " / Motion to move CS with individ. rec.
			No objections.
	555		Adjourn

new amendments adopted from Sharp Suggestion this date, as well as earlier previously Attached -

Committee Log Book - 1980

Tape Number XXVII
Tapes 1 & 2
Side Number 1&2

SENATE C/RA

Committee

Dates 5/6/80 to ----

Present: Chairman Sturgulewski
Senators Stimson, Mulcahy, Kelly
Absent: Senator Rodey

Bill Numbers Discussed

SB 535	CSHB 947								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/6/80 1:30 p	001	SB 535	Chrmn Sturgulewski
	049		Rep. J. Munson (Bill Sponsor)
	091		Sen. Stimson
	217		Dept. Pub. Safety Gary Crouse, Dep. Dir., Fire Prevention Office
	320		Sen. Stimson
	420		Tom Munk, St. Firefighters Assoc.
	494		Sen. Stimson
	529		Sen. Kelly - amend. to include fire marshall or designee in membership.
	668		Sen. Stimson - Explanation
	704		Sen. Kelly moved for amend. p. 1, line 26
	734		Sen. Stimson objects/ concern too much flexibility lack of guidelines.
	782		Further amendments discussion.
	804		Sen. Kelly moved to pass bill unanimously with amendments: Page 1, line 26: Delete ~~one public~~ member and insert State Fire Marshall or his designee// Page 3, line 10: Delete ~~1984~~ and insert 1983// and Page 3, line 15: Delete 1984 and insert 1983

Sen. Stimson objected - wanted w/ ind. rec.
Chairman Sturgulewski "do pass"

OVER

CSHB 947

	817	Chairman Sturgulewski/ Summary
	838	Sen. Stimson/ Motion to adopt
	843	Ginny Chitwood, AML
SIDE 2	70	Sen. Stimson
	253	" Kelly / Reapportionment
	280	" Stimson
	328	" " / Assemblies/ Candidates / run-at-large
	468	Chrmn Sturgulewski/ What if CRA does find malapportionment?
	504	Sen. Kelly
	558	" Stimson
	617	" Kelly/ What apply to home rule boroughs?
	712	" Stimson/ Sec. A
	805	Chrmn Sturgulewski/ summary
	810	Lee Sharp, City Attorney, Borough of Juneau
	862	" " Recommend taking out unified municipalities
TAPE 2	034	Sen. Kelly
	059	Lee Sharp/ feels no reviewing agency needed.
	102	" "/ Federal voting procedures act needs provision for.
	276	Sen. Sturgulewski/ will return with CS next committee meeting.
	377	MEETING ADJOURNED.

PLEASE SIGN - IF YOU WISH TO TESTIFY AT THIS HEARING

Sen. C/RA

SB535 / CS HB947

5-6-80

BILL NO.	NAME	MAILING ADDRESS	GROUP NAME OR ORGANIZATION IF REPRESENTING SUCH
947	[illegible]	[illegible]	AMC
947	Lee Shamp	155 S. Seward	Juneau CdB
963	Gary Cruse	SFM	Juneau
535	Alan Judson	820 Glacier Ave	Alaska Firefighters
535	Tom Monk	Bx 1054 Auke Bay	Alaska Firefighters.
535 947	Joyce Mannon	935 E. 74th	OIC

May 9, 1980

TO: Senator Mike Colletta
Attn: Marcie Sharrock

FROM: Twyla Hartsock, Administrative Assistant
Senator Sturgulewski's Office

RE: SCS CS HB 947

Senator Sturgulewski would appreciate your holding the above bill until later next week. We are waiting for a sectional analysis from Legal which she would like to hand to all legislators when this bill comes out for floor action. When this analysis is received, we will contact you.

Thank you for your assistance.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

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

M E M O R A N D U M May 9, 1980

SUBJECT: SCS CSHB 947, sectional analysis
(Work Order Number 8564)

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

FROM: John B. Chenoweth
Legislative Counsel

This bill

(1) changes substantially requirements of law applicable to the composition and apportionment of the assemblies of boroughs; and

(2) alters requirements relating to the term of office of a member of a borough assembly.

*

Note: In sections 1 - 3 of Ch. 83, SLA 1979, the first session of the Eleventh Legislature made substantial changes in the law relating to the composition and apportionment of borough assemblies. These changes are due to become effective on January 1, 1981. The changes, generally include

(1) general provisions and standards applicable to the composition and apportionment of all boroughs, set out at AS 29.23.021;

(2) composition and representation requirements for general law boroughs (that is, exclusive of home rule boroughs and unified municipalities), set out at AS 29.23.023; and

(3) recomposition and reapportionment procedures applicable to all boroughs, set out at AS 29.23.025.

SCS CSHB 947 alters many of the provisions adopted last year.

*

A principal change in this bill is the repeal of AS 29.-23.023 [* Sec. 14] and the retention of some of the key provisions of that repealed section elsewhere.

* Sec. 3 of this bill deletes a reference to AS 29.23.023, appearing in AS 29.23.021. If adopted, the assembly of a borough or unified municipality would be required to conform to standards of composition and apportionment applicable under the Constitution of the United States (popularly referred to as "equal protection"). Additionally, if adopted, the assembly of a borough could not provide for weighted voting, and, by the inclusion of the material in * Sec. 4 of the bill, could not include members appointed from city councils of cities in the borough (i.e. no "institutional representation").

* Sec. 4 "saves" a provision, now AS 29.23.023(c), and imposes it as a standard applicable to all boroughs and unified municipalities.

* Sec. 5 shortens, from four to two months, the period in which, after the report of census information, a borough is obliged to determine whether it meets existing apportionment standards under AS 29.23.021. (Last year, when AS 29.23.023 was enacted, it was understood that an official report of the 1980 census would be issued about April 1, 1981, and four months were allowed to boroughs to make the determination required.) Elsewhere in the section, the term "borough" is added to assembly, as clarification, and the reference to AS 29.23.023, repealed in sec. 14 of the bill, is corrected.

* Sec. 6: The operative provision is the inclusion of the words "by ordinance" to clarify how the borough shall provide for changes in composition as well as apportionment. Other changes in the section are for consistency.

* Sec. 7: The changes in AS 29.23.025(c) make more specific the requirements which are imposed on persons who wish to challenge a determination of the borough assembly concerning apportionment. "50 registered voters who are residents of the borough" is substituted for "50 borough voters" so that local elections officials may be able to determine with certainty whether a petition request is presented by bona fide residents of the borough. Additionally, when a determination is requested, the assembly is given two months to make that determination.

* Sec. 8 increases to six months (from four) the period of time in which the assembly, having ruled that it is malapportioned under the applicable standards, must (1) adopt a reapportionment ordinance and (2) submit it to the voters for approval. If no ordinance has been approved by the voters at the end of six months after a determination of the assembly that it is malapportioned, the commissioner of the Department of Community and Regional Affairs is given responsibility to impose a reapportionment plan. The plan is to be presented as an order of the commissioner delivered to the assembly for implementation.

* Sec. 9 establishes a plan for an advisory determination by the commissioner of community and regional affairs that an assembly is malapportioned or that an ordinance presenting a new apportionment plan, even after ratification by the voters, does not meet constitutional or statutory requirements. The provision has no legal effect as to any other procedures bearing upon changes of composition or apportionment, and appears to be available only for its local political effect.

By * Sec. 10, your committee clarifies which municipal election it is in which an apportionment or composition change becomes applicable.

New subsections of AS 29.23.025, added in * Section 11, indicate when voters may seek judicial review of a reapportionment ordinance or order, or an apportionment determination (whether of the borough assembly or of the commissioner of community and regional affairs), and delay implementation of an apportionment charge or composition change if the change is subject to review and approval (or determination of nonobjection) by the United States Department of Justice under the 1965 Voting Rights Act, as

amended. Your committee inserted language in subsection (j), added by section 11, to indicate that the provisions of AS 29.23.025 applied to boroughs -- home rule and general law -- eliminating, by implication (but not specifically), applicability of AS 29.23.025 to unified municipalities.

Related changes involving composition and apportionment of borough assemblies appear in * sections 1, 2, and 13: In section 1, the provisions of AS 29.23.021 (relating to standards of composition and apportionment and manner of voting) are made binding on home rule governments, including home rule boroughs and unified municipalities. By section 2, a requirement that the assembly of a newly-incorporated borough not exceed 11 members is removed. Section 13 rewrites a requirement imposed on unified municipalities to require that their charter contain, when applicable, procedures for reapportionment (necessary because unified municipalities are impliedly exempted from the reapportionment procedures of AS 29.23.025).

Because, generally, the statutory sections which * Sections 1 - 11 and * Sections 13 and 14 replace are not due to take effect until January 1, 1981, the effective date of these changes is delayed to that date. [* Sec. 15]

* Sec. 12, the remnant of the original House bill, makes further changes (in addition to those enacted last year at section 4, Ch. 83, SLA 1979) relative to the term of office of a borough assembly member. The principal operative amendment is the underscored language at page 5, lines 24 and 25, by which an exception to the date mandated for the start of the term of office of a borough assembly member may be made by a borough by charter or ordinance. The additional change -- the inclusion of new language in subsection (a) and the deletion of the second sentence of subsection (b) -- represents an attempt to make it clear that, except when required by a change in apportionment, the term of office of a member of a borough assembly may not be altered by action of the assembly, thus precluding foreshortening or extension of terms. AS 29.-23.040 is binding on home rule governments by AS 29.13.100(3), re-enacted in sec. 1 of this bill. This change is given immediate effect in order to avoid problems which may arise in certain home rule municipalities having charter provisions contrary to the law as it currently reads immediately following the October, 1980, regular municipal elections. [* Sec. 16]

JBC:ljb

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

May 8, 1980

TO: JOHN B. CHENOWETH
LEGISLATIVE COUNSEL

FROM: TYWLA HARTSOCK
ADMINISTRATIVE ASSITANT
SENATE C/RA

RE: W.O. 8250

Please insert the following changes to the "Committee Substitute" received earlier today:

page 4, line 23 - add "only" following "apply"
line 24 - add a period following borough and delete the rest of line - and
line 25 - delete

This bill with the above changes incorporated, passed out of our committee this date. As soon as the jacketed final copy is received from your office it will be turned into the Senate Secretary's Office for processing.

A sectional analysis is still requested. This will be passed out to all Senators when the bill appears for Senate floor action.

Thank you for all your time and attention given this bill!

May 7, 1980

TO: John B. Cheroweth
Legislative Counsel

FROM: Twyla Hartsock, Administrative Assistant
Senate C/RA Committee

RE: W.O. 8250

A sectional analysis is requested on SCS CS HB 947, the latest revised version as of this date.

Question - AS 23.025 (f) p. 3

If the commissioner determines maladjustment, what happens next? The Senate C/RA members feel the commissioner's findings should be advisory only and that there would be no legal ramifications involved. Page 4, line 14-16 -- scratch G-(3) to reflect above intent. Section 29.23.025. Judicial - should also reflect above intent.

Page 4 - change period to a semicolon and add the following, beginning in the next line:

"provided, if the change in subject to review by a federal agency, the change shall become effective with the first regular election of borough assembly members which is held more than 60 days after receipt of such agency approval of or nonobjection to the change or the expiration of the time during which the agency may object."

Above should apply to both sections (1) and (2).

Page 4, delete lines 25-29

Page 5, delete lines 1-3

Page 5, line 9, delete under AS 29.23.025

Page 5, line 22, delete borough assembly and insert "legislative body"

Page 5, end of line 22, delete "borough"

Page 5, line 23, delete "assembly"

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M May 1, 1980

SUBJECT: SCS CSHB 947 (Borough assemblies)

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

FROM: John B. Chenoweth
Legislative Counsel

In this version (May 1), the following changes have been made to the bill designated "version 2" and dated April 22:

(1) A time limit of 60 days has been placed on the commissioner for the issuance of a decision on an appeal;

(2) The "appeal" mechanism provided in AS 29.23.025(f) has been made a prerequisite to judicial review: disgruntled citizens may not directly approach the courts without first petitioning the commissioner for review;

(3) Exemption from the provisions of AS 29.23.025 is extended to existing unified municipalities whose assemblies are elected at-large (I believe the City and Borough of Sitka may meet this test), and to existing unified municipalities where election is by district or section if the commissioner of community and regional affairs determines that the charter contains "adequate" reapportionment procedures, and so certifies (covering situations in Anchorage and Juneau: since the Anchorage charter was written to conform to AS 29.68.350(a)(2) of the 1972 Municipal Code, the procedures provided in it are almost certainly "adequate," leaving only Juneau's charter to stand the "test").

JBC:ljb

Enclosure

WC#8250
Version #2
Chenoweth

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to borough assemblies and amending the apportionment requirements of charters of unified municipalities; and providing for an effective date."

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

* Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 5. AS 29.23.025(a) is amended to read:

(a) Within two [NOT LATER THAN JULY 31, 1981, AND THEREAFTER

WITHIN FOUR] months after the official report of a federal decennial census, the borough assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023].

* Sec. 6. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the borough assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023], the assembly shall provide by ordinance for its reapportionment. At the same time, the borough assembly may, by ordinance, change the composition of the assembly.

* Sec. 7. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by ordinance, for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.-021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The borough assembly shall make a determination when required by this subsection within two months of its receipt of a petition which meets the requirements of this subsection.

* Sec. 8. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly that the current apportionment does not meet the standards of

AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 9. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. Fifty registered voters who are residents of the borough may submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.23.021, or whether a determination of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is correct. If the petition asks the commissioner of community and regional affairs to review an ordinance approved by the voters under (e) of this section, the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner of community and regional affairs to review a determination of the borough assembly under (c) of this section, the petition shall be delivered to the commissioner within 20 days of the determination of the borough assembly. The commissioner of community and regional affairs shall review the petition and may make the determination requested. The

commissioner of community and regional affairs shall provide copies of his decision to the persons petitioning for appeal and to borough officials not later than 60 days after he receives the petition.

* Sec. 10. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which is held more than 60 days after the latest of the following:

(1) approval of the reapportionment ordinance by the voters under (e) of this section;

(2) the delivery to the mayor of the reapportionment order of the commissioner of community and regional affairs under (e) of this section; or

(3) a final determination of the commissioner of community and regional affairs of an appeal under (f) of this section approving a revised [FOLLOWS APPROVAL OF A] reapportionment ordinance.

* Sec. 11. AS 29.23.025 is amended by adding new subsections to read:

(h) Each of the following is subject to judicial review:

(1) a reapportionment order of the commissioner of community and regional affairs made under (e) of this section; and

(2) a decision of the commissioner of community and regional affairs on an appeal made under (f) of this section.

(i) The provisions of this section apply to

(1) a home rule and a general law borough;

(2) a unified municipality incorporated under AS 29.68.240 - 29.68.440 before the effective date of this section, unless

(A) election of members of the assembly of a unified municipality occurs at large; or

(B) the commissioner of community and regional affairs

determines, not later than February 1, 1981, that the charter of the unified municipality contains procedures by which to apportion election districts or sections.

* Sec. 12. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of apportionment under AS 29.23.025, if the term of an assemblyman is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 13. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts or sections for the election of members of the borough assembly, if election of borough assembly members is not areawide, and procedures by which to reapportion the election districts or sections;

* Sec. 14. AS 29.23.023 is repealed.

* Sec. 15. Sections 1 - 11, 13, and 14 of this Act take effect January 1, 1981.

* Sec. 16. Sections 12, 15 and 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Community & Regional Affairs	House Community & Regional Affairs Committee	CSHB 947

DEPARTMENT POSITION

Support

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Palmer McCarthy	4/16/80	Lee McKechney	16.4.80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)
(2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

This bill would give home rule and general law boroughs the power to establish the date a newly elected assemblyman's term begins. Under current law, the term of office must begin on the first Monday following certification of the election.

The committee substitute adds the provision an assemblyman is not affected if his term is changed while he is holding office. He would complete the term for which he was elected.

(4) FISCAL IMPACT: ☒ NONE ☒ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

(6) COMMENTS

This bill gives boroughs greater flexibility in providing for self-government.

Title Term of office of borough assemblymen

Requested by _____ Date _____

CS HB947

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

BRU, Program, or Subprogram(s) Affected N/A

(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	0	0	0	0	0	0

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)

No fiscal impact.

IV. DATE March 13, 1980 PREPARED BY Mary Foster

AGENCY Community & Regional Affairs

PHONE 465-4734

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

I wish to also point out a further minor problem. A.S. 29.23.~~130~~ 140 (c) as amended last year (and applicable to Home Rule Municipalities) has the term of office of new Assembly men begin ". . . . on the first Monday following Certification of the Election."

There are two problems with this in Sitka, First: The former practice in Sitka has been for the election to be certified at the next regular Assembly meeting following the election. Following certification, the new members are sworn in and take their seats. Under this new procedure, we would have to call a Special meeting the Monday following certification merely to swear in new members.

Second: The Mayor (while having no special powers in Sitka) may continue to be sworn into office at the meeting where the election is certified since the Legislative enactments covering the beginning of Mayors' terms are not made applicable to Home Rule Municipalities. That's also going to look real funny to the voters if we swear in a new Mayor at one meeting but have to wait until the next Monday to swear in the rest of the new Assembly members.

I wish that your collegues would someday quit poking the Legislative stick in the eye of the Home Rule Municipality and stop creating problems where none existed before.

I realize that my comments would have been more helpful if they had been made prior to passage of these Statutes, however, I am sure none of us realized the potential problems at that time.

If I can be of any aid to you, please let me know.

Sincerely,

Peter S. Hallgren
Municipal Attorney

cc: Senator Pete Meland

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

February 25, 1980

Representative Richard Eliason
Pouch V
Juneau, Alaska 99811

Dear Representative Eliason:

It has recently been brought to our attention by Assembly member, Roberley Potter, that A.S. 29.23.023 was enacted last year. Unless amended, this statute will have many unintended effects on Sitka. Chief among these effects would be to cost the municipality money and to hold both the Assembly and the State Legislature up to ridicule.

29.23.023 (which applies to Home Rule Municipalities) provides that by July 31, 1981, all municipalities must hold an election and present to the voters various local apportionment schemes for Assembly representation.

In Sitka, since unification in 1971, all Assembly members have been elected at large; however, this law would require the City to spend a fair amount of time and money coming up with proposed election districts (containing equal populations) and to have a vote on the whole mess.

It seems obvious to me, at least, that the real purpose of the statute is to force various municipalities around the State which do have election districts to review them and to also give the citizens the right to vote for area-wide representation.

I don't believe that places already having area-wide representation were really intended to be covered by this Statute.

The Statute should be amended to allow for such an exemption or we're all going to have fun explaining why we are going through such an expensive waste of time in Sitka.

Could you please investigate this situation and consider sponsoring legislation to exempt municipalities like Sitka which already provide area-wide Assembly representation?

Return all this material with the

CS redraft....

Attn: Margo Waring

WO 8250
Version 1
Chenoweth

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to borough assemblies; and providing for an effective date."

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

* Section 1. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

* Sec. 2. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 3. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 4. AS 29.23.025(a) is amended to read:

(a) Within two [NOT LATER THAN JULY 31, 1981, AND THEREAFTER WITHIN FOUR] months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023].

* Sec. 5. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023], the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may, by ordinance, change the composition of the assembly.

* Sec. 6. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by ordinance, for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The assembly shall make a determination when required by this subsection within two months of its receipt of a petition which meets the requirements of this subsection.

* Sec. 7. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.-021 [AS 29.23.021 - 29.23.025], the assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall

provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 8. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. If, within 10 days after certification of the election held under (e) of this section, 50 registered voters who are residents of the borough submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.23.021, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment, the commissioner shall review the petition and may make the determination requested. shall ? timelimit?

* Sec. 9. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which is held more than 60 days after the latest of the following:

(1) approval of the reapportionment ordinance by the voters under (e) of this section;

(2) the delivery to the mayor of the reapportionment order of the commissioner of community and regional affairs under (e) of this section; or

(3) a final determination of the commissioner of community and regional affairs of an appeal under (f) of this section approving

a revised [FOLLOWS APPROVAL OF A] reapportionment ordinance.

* Sec. 10. AS 29.23.025 is amended by adding a new subsection to read:

(h) Each of the following is subject to judicial review:

(1) a reapportionment ordinance approved by the voters under (e) of this section;

(2) a determination by the borough assembly under (c) of this section that the standards of AS 29.23.021 do not require a change in apportionment;

(3) a reapportionment order of the commissioner of community and regional affairs made under (e) of this section; and

(4) a decision of the commissioner of community and regional affairs on an appeal made under (f) of this section.

* Sec. 11. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of apportionment under AS 29.23.025, if the term of an assemblyman is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 12. AS 29.23.023 is repealed.

* Sec. 13. Sections 1 - 10 and 12 of this Act take effect January 1, 1981.

* Sec. 14. Sections 11, 13 and 14 of this Act take effect immediately in

accordance with AS 01.10.070(c).

Title 29 subj leaves up to council - sets no criteria -

Simple set to vote 1 - man 1 vote
no weighted vote no apportionment rep

change to AS 29.23.021

add (d) - see next page

(note 0R3 calls for special election --

eliminate Sec 29.23.023

repealed by sec. 21 [24] of ch. 83, SLA 1979. of ch. 83, SLA 1979."

Sec. 29.23.021. Assembly composition and apportionment [Effective January 1, 1981]. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.029 and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting. (§ 1 ch 83 SLA 1979)

(d)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2210), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.023. Composition and representation requirements for general law boroughs [Effective January 1, 1981]. (a) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose, alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough, but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(b) The proposals set out in (a) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough.

The other classification shall consist of all votes cast in the remaining area of the borough. The borough assembly shall, within three months of the certification of the results of the election adopt an ordinance providing for its composition and the form of representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.025. Assembly recomposition and reapportionment [Effective January 1, 1981]. (a) ~~Not later than July 31, 1981, and thereafter~~ Within four months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021. ~~— 29.23.023.~~

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 — 29.23.023, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of the votes cast.

(e) Within four months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 — 29.23.025, the assembly shall adopt an ordinance providing for

---

consolidate problem.

include this wording as part (d) in AS 29.23.021

(a) Eliminate 1st phrase, change "four" to "two", delete reference to 29.23.023

(b) Eliminate reference to 29.23.023 and add "by ordinance"

(c) Add "by ordinance" and a provision at the end requiring Dept of L+RA review if requested by petitioners.

(e) change "four" to "six"

(e) cont. change "four" to "six" and delete reference to 29.23.023.

(g) delete "which follows approval of a reapportionment ordinance" + replace with "held not sooner than sixty (60) days following approval of a reapportionment ordinance."

reapportionment, and submit the ordinance to the voters. If, at the end of the ~~four~~-month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 —29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly ~~which follows approval of a reapportionment ordinance~~ held not sooner than sixty (60) days following approval of a reapportionment ordinance (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.029.

The legislature intended that all reapportionment ordinances be submitted to the electorate. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972; am § 4 ch 83 SLA 1979)

Effect of amendment.

The 1979 amendment, effective June 2, 1979, rewrote the second sentence.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides that the terms of borough assemblymen elected or appointed to dual borough assembly-city council seats are not effected by the amendment made to AS 29.23.040 by sec. 4, ch. 83, SLA 1979 until reapportionment of the assembly is required or proposed under AS 29.23.020 or under AS 29.23.021 — 29.23.025.

Sec. 29.23.060. Procedure.

Cross reference.

As to abstaining from official action when there is a conflict of interests, see AS 29.23.555.

(1) class;

(2) name;

(3) boundaries;

(4) [Effective until January 1, 1981] composition and apportionment of the assembly or council;

[Effective January 1, 1981] composition and apportionment of the assembly or council, but the number of members of a borough assembly may not exceed 11;

(5) for a first class borough, a designation of areawide powers to be exercised;

(6) for a second class borough, a designation of areawide and nonareawide powers to be exercised;

(7) maps, documents, and other information required by the Department of Community and Regional Affairs;

(8) for first class city incorporation, the signatures and resident address of 50 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(9) for second class city incorporation, the signature and resident address of 25 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(10) for borough incorporation, the signature and resident address of 15 per cent of the permanent resident voters in each first class city and 15 per cent of voters in the area outside first class cities based on the number who voted in the respective areas in the last general election;

(11) for a city, a designation of the powers proposed by the petitioners to be exercised;

(12) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972; am § 2 ch 212 SLA 1976; am § 3 ch 83 SLA 1979)

Effect of amendments.

The 1976 amendment, effective June 21, 1976, substituted "and nonareawide powers to be exercised" for "powers to be exercised and of powers to be exercised in the area outside cities only" at the end of paragraph (6), deleted "to show that the proposed municipality meets the standards for incorporation" from the end of paragraph (7), inserted "or of 15 per cent of the permanent resident voters" in paragraph (8), added the language beginning "whichever is greater" to the end of paragraph (8), substituted "25 permanent resident voters or of 15 per cent of the permanent resident voters" for "10 permanent resident voters" in paragraph (9), added the language beginning "whichever is greater" to the end of paragraph (9), and added paragraphs (11) and (12).

The 1979 amendment, effective January 1, 1981, added "but the number of members of a borough assembly may not exceed 11" to the end of paragraph (4).

(4) delete provision enacted last year + go back to original

HAC 10:00 5/1

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M April 22, 1980

SUBJECT: SCS HB 947 (Borough assemblies)

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

FROM: John B. Chenoweth
Legislative Counsel

The proposed committee substitute version 1 is based on discussions held Friday, April 18th, with Twyla Hartsock, committee administrative assistant, and Ginny Chitwood, representing the Municipal League. The material that is new in the proposed Senate committee substitute was requested by the Municipal League and includes my additional editorial changes principally for the purposes of clarity of the procedure which is to be followed.

The proposed committee substitute version 2 is based on subsequent instructions from Twyla on Tuesday, April 22nd, in response to a request from Marilyn Miller of the Municipal League (subsequently withdrawn) asking that the provisions of AS 29.23.025 be drafted so that they apply only to home rule and general law boroughs (that is, they would not apply to unified municipalities).

The principal difference between the versions centers on the exemption, in version 2, of unified municipalities from the provisions of AS 29.23.025.

The purpose of this memo is to request committee guidance on one point. Ginny wanted language included by which, even after the voters of a borough approved a proposed change in apportionment, dissatisfied residents could still challenge the particulars of the proposed ordinance or charter change. That challenge would involve an appeal to the commissioner of community and regional affairs. Ginny's stated purpose in including the provision was to provide an alternative tc long and potentially expensive litigation on the questions

if presented to a court. I have included her suggestion in this bill draft, re-enacting AS 29.23.025(f), and removing the judicial review provision to AS 29.23.025(h). As this is written (based on Ginny's advice), a disgruntled party may either appeal to the commissioner or appeal to the court. The committee may want to redraft the provision to require the parties to appeal to the commissioner, and allow an appeal to the court only from the decision of the commissioner, assuring that the matter is administratively handled in the first instance.

yes preferable.

If it chooses to work with version 2, the committee should consider inclusion of language, probably in AS 29.23.025(i), added by sec. 11 of that version, to the effect that the provisions of AS 29.23.025 apply to a unified municipality only if that municipality does not provide by ordinance for procedures for assembly reapportionment substantially similar to the requirements of AS 29.68.350(a)(2), re-enacted in sec. 13 of the bill. If this is not included, it would be possible that one of the three unified municipalities -- Anchorage, Juneau, and Sitka -- would not provide by charter for procedures to handle reapportionment; there being no local provisions, and the provisions of state law being inapplicable, disgruntled residents could only approach the courts to handle the matter -- a situation which would be wholly inconsistent with the position stated by Ginny Chitwood in defense of the Municipal League's request to provide an alternative to long and expensive litigation. The changes made in AS 29.68.350(a)(2) by sec. 13 of the bill would apply to unified municipalities incorporated after the effective date of the bill.

agree

JBC:jdn

Enclosures - Ginny says law requires it see p. 5 v. II.

AMC
Either version w/ changes as per, ab

ketch/jum. change in term of assemblymen - no more problem

ketch. send draft. tele4

2 as changed above

WO#8250 Version 2
Chenoweth

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to borough assemblies and amending the apportionment requirements of charters of unified municipalities; and providing for an effective date."

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

* Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 5. AS 29.23.025(a) is amended to read:

(a) Within two [NOT LATER THAN JULY 31, 1981, AND THEREAFTER

WITHIN FOUR] months after the official report of a federal decennial census, the borough assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023].

* Sec. 6. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the borough assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023], the assembly shall provide by ordinance for its reapportionment. At the same time, the borough assembly may, by ordinance, change the composition of the assembly.

* Sec. 7. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by ordinance, for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.-021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The borough assembly shall make a determination when required by this subsection within two months of its receipt of a petition which meets the requirements of this subsection.

* Sec. 8. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly that the current apportionment does not meet the standards of

AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 9. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. If, within 10 days after certification of the election held under (e) of this section, 50 registered voters who are residents of the borough submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters does not meet the standards of AS 29.23.021, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment, the commissioner shall review the petition and may make the determination requested.

* Sec. 10. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which is held more than 60 days after the latest of the following:

(1) approval of the reapportionment ordinance by the voters under (e) of this section;

(2) the delivery to the mayor of the reapportionment order of the commissioner of community and regional affairs under (e) of this section; or

(3) a final determination of the commissioner of community and regional affairs of an appeal under (f) of this section approving a revised [FOLLOWS APPROVAL OF A] reapportionment ordinance.

* Sec. 11. AS 29.23.025 is amended by adding new subsections to read:

(h) Each of the following is subject to judicial review:

(1) a reapportionment ordinance approved by the voters under (e) of this section;

(2) a determination by the borough assembly under (c) of this section that the standards of AS 29.23.021 do not require a change in apportionment;

(3) a reapportionment order of the commissioner of community and regional affairs made under (e) of this section; and

(4) a decision of the commissioner of community and regional affairs on an appeal made under (f) of this section.

(i) The provisions of this section apply to a home rule and a general law borough, but do not apply to a unified municipality incorporated under AS 29.68.240 - 29.68.440.

* Sec. 12. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of apportionment under AS 29.23.025, if the term of an assemblyman is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 13. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts for the election of members of the borough assembly, if election of borough assembly members is not areawide, and procedures by which to reapportion the election districts;

* Sec. 14. AS 29.23.023 is repealed.

* Sec. 15. Sections 1 - 11 and 14 of this Act take effect January 1, 1981.

* Sec. 16. Sections 12, 13, 15 and 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

problem w/ sections ?

WO 8250
Chenoweth
Version ~~#2~~ 3

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 947

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to borough assemblies and amending the apportionment requirements of charters of unified municipalities; and providing for an effective date."

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* Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 5. AS 29.23.025(a) is amended to read:

(a) Within two [NOT LATER THAN JULY 31, 1981, AND THEREAFTER

WITHIN FOUR] months after the official report of a federal decennial census, the borough assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023].

* Sec. 6. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the borough assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023], the assembly shall provide by ordinance for its reapportionment. At the same time, the borough assembly may, by ordinance, change the composition of the assembly.

* Sec. 7. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by ordinance, for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.-021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The borough assembly shall make a determination required by this subsection within two months of receipt of a petition which meets the requirements of this subsection.

* Sec. 8. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly that the current apportionment does not meet the standards of AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall

adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* Sec. 9. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. Fifty registered voters who are residents of the borough may submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.23.021, or whether a determination of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is correct. If the petition asks the commissioner of community and regional affairs to review an ordinance approved by the voters under (e) of this section, the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner of community and regional affairs to review a determination of the borough assembly under (c) of this section, the petition shall be delivered to the commissioner within 20 days of the determination of the borough assembly. The commissioner of community and regional affairs shall review the petition and may make the determination requested. The determination of the commissioner of community and regional affairs is

advisory. The commissioner shall provide copies of his advisory determination to the persons petitioning for appeal and to borough officials not later than 60 days after he receives the petition.

* Sec. 10. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which is held more than 60 days after the later of:

(1) approval of the reapportionment ordinance by the voters under (e) of this section; or

(2) the delivery to the mayor of the reapportionment order of the commissioner of community and regional affairs under (e) of this section [FOLLOWS APPROVAL OF A REAPPORTIONMENT ORDINANCE].

* Sec. 11. AS 29.23.025 is amended by adding new subsections to read:

(h) Each of the following is subject to judicial review:

(1) a reapportionment ordinance approved by the voters under (e) of this section;

(2) a determination by the borough assembly under (c) of this section that the standards of AS 29.23.021 do not require a change in apportionment; and

(3) a reapportionment order of the commissioner of community and regional affairs made under (e) of this section.

(i) The provisions of this section apply to a home rule or general law borough, ~~but do not apply to a unified municipality incorporated under AS 29.68.240 - 29.68.440.~~

(j) The provisions of (g) of this section do not apply to a borough in which a change in assembly composition or apportionment is subject to review and approval or determination of nonobjection by the Attorney General of the United States under the Voting Rights Act of

1965, as amended (42 U.S.C. 1971 - 1974). A change in assembly composition or apportionment subject to review under the Voting Rights Act of 1965, as amended, is effective beginning with the first regular election for members of the assembly which is held more than 60 days after

(1) receipt by the borough assembly of approval by the Attorney General of the United States of the proposed change in the composition or apportionment of the assembly;

(2) receipt by the borough assembly of a statement of non-objection from the Attorney General of the United States to the proposed change in the composition or apportionment of the assembly; or

(3) the last day on which the Attorney General of the United States may review a proposed change in the composition or apportionment of the assembly.

* Sec. 12. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of apportionment, if the term of an assemblyman is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

* Sec. 13. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts or sections for the election of members of the legislative body of the unified municipality, if election of members of the legislative body is not areawide, and procedures by which to reapportion the election districts or sections;

* Sec. 14. AS 29.23.023 is repealed.

* Sec. 15. Sections 1 - 11, 13, and 14 of this Act take effect January 1, 1981.

* Sec. 16. Sections 12, 15 and 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

change to AS 29.23.021

add (d) - see next page

eliminate Sec. 29.23.023

is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.021. Assembly composition and apportionment [Effective January 1, 1981]. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.020 and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting. (§ 1 ch 83 SLA 1979)

(d)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2213), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.023. Composition and representation requirements for general law boroughs [Effective January 1, 1981]. (a) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose, alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough, but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(b) The proposals set out in (a) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough.

The other classification shall consist of all votes cast in the remaining area of the borough. The borough assembly shall, within three months of the certification of the results of the election adopt an ordinance providing for its composition and the form of representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough. (§ 1 ch 83 SLA 1979)

include this wording as part (d) in AS 29.23.021

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.025. Assembly recomposition and reapportionment [Effective January 1, 1981]. (a) ~~Not later than July 31, 1981, and thereafter~~ Within four months after the official report of a federal decennial cer sus, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021. ~~29.23.023.~~

(a) Eliminate 1st phrase, change "four" to "two", delete reference to 29.23.023

(b) If the existing apportionment of the assembly do s not meet the applicable standards of AS 29.23.021 — 29.23.023; the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(b) Eliminate reference to 29.23.023 and add "by ordinance"

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(c) Add "by ordinance" and a provision at the end requiring Dept of C+RA review if requested by petitioners.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of the votes cast.

(e) Within four months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 — 29.23.025, the assembly shall adopt an ordinance providing for

(e) change "four" to "six"

(e) cont. change "four" to "six" and delete reference to 29.23.023.

(g) delete "which follows approval of a reapportionment ordinance" + replace with "held not sooner than sixty (60) days following approval of a reapportionment ordinance."

reapportionment, and submit the ordinance to the voters. If, at the end of the ~~four~~ six-month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 —~~29.23.023~~.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly ~~which follows approval of a reapportionment ordinance~~ held not sooner than sixty (60) days following approval of a reapportionment ordinance (§ 1 ch 83 SLA 1979)

Effective date. — Section 2[illegible] 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

The legislature intended that all reapportionment ordinances be submitted to the electorate. Roderick v. Sullivan, Sup. Ct. Op. No. 1099 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972; am § 4 ch 83 SLA 1979)

Effect of amendment.

The 1979 amendment, effective June 2, 1979, rewrote the second sentence.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides that the terms of borough assemblymen elected or appointed to dual borough assembly-city council seats are not effected by the amendment made to AS 29.23.040 by sec. 4, ch. 83, SLA 1979 until reapportionment of the assembly is required or proposed under AS 29.23.020 or under AS 29.23.021 — 29.23.025.

Sec. 29.23.060. Procedure.

Cross reference.

As to abstaining from official action when there is a conflict of interests, see AS 29.23.555.

(1) class;

(2) name;

(3) boundaries;

(4) [Effective until January 1, 1981] composition and apportionment of the assembly or council;

[Effective January 1, 1981] composition and apportionment of the assembly or council, but the number of members of a borough assembly may not exceed 11;

(5) for a first class borough, a designation of areawide powers to be exercised;

(6) for a second class borough, a designation of areawide and nonareawide powers to be exercised;

(7) maps, documents, and other information required by the Department of Community and Regional Affairs;

(8) for first class city incorporation, the signatures and resident address of 50 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(9) for second class city incorporation, the signature and resident address of 25 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(10) for borough incorporation, the signature and resident address of 15 per cent of the permanent resident voters in each first class city and 15 per cent of voters in the area outside first class cities based on the number who voted in the respective areas in the last general election;

(11) for a city, a designation of the powers proposed by the petitioners to be exercised;

(12) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972; am § 2 ch 212 SLA 1976; am § 3 ch 83 SLA 1979)

Effect of amendments.

The 1976 amendment, effective June 21, 1976, substituted "and nonareawide powers to be exercised" for "powers to be exercised and of powers to be exercised in the area outside cities only" at the end of paragraph (6), deleted "to show that the proposed municipality meets the standards for incorporation" from the end of paragraph (7), inserted "or of 15 per cent of the permanent resident voters" in paragraph (8), added the language beginning "whichever is greater" to the end of paragraph (8), substituted "25 permanent resident voters or of 15 per cent of the permanent resident voters" for "10 permanent resident voters" in paragraph (9), added the language beginning "whichever is greater" to the end of paragraph (9), and added paragraphs (11) and (12).

The 1979 amendment, effective January 1, 1981, added "but the number of members of a borough assembly may not exceed 11" to the end of paragraph (4).

(4) delete provision enacted last year + go back to original

Requested by Office of Borough Assembly Date

CS HB947

II. FISCAL DETAIL

Agency Affected N/A

Program Category Affected N/A

BRU, Program, or Subprogram(s) Affected N/A

(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	0	0	0	0	0	0

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)

No fiscal impact.

IV. DATE March 13, 1980 PREPARED BY Mary Foster

AGENCY Community & Regional Affairs

PHONE 465-4734

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

contain the signatures of 25 percent of those voting in the last general election. Area Dispatch, Inc. v. City of Anchorage, Sup. Ct. Op. No. 1231 (File No. 2624), 544 P.2d 1024 (1976).

Article 2. Home Rule Limitations.

Section
100. Limitation of home rule powers

Sec. 29.13.100. Limitation of home rule powers. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. They supersede existing and prohibit future home rule enactments which provide otherwise:

(3) **[Effective until January 1, 1981]** AS 29.23.020 — 29.23.050 (borough assembly representation)

[Effective January 1, 1981] AS 29.23.021; 29.23.025 — 29.23.050 (composition and apportionment of borough assembly; borough assembly recomposition and reapportionment; assembly representation)

(22) AS 29.53.010 — 29.53.400 (borough and city property taxes)

(34) AS 29.33.050, AS 29.41.010(a), AS 14.12.020(a) (responsibility for education on military reservations)

(35) AS 29.58.345 — 29.58.350 (bonded debt for school construction)

(36) AS 29.63.065 (exemption from special assessment)

(37) AS 29.33.090(d) (zoning of state land for homesite entry)

(38) AS 29.48.130(a)(12) (municipal exemption on contractor bond requirements)

(39) AS 29.33.150(b) (applicability of local platting regulations to state land in a municipality)

(am § 2 ch 32 SLA 1973; am § 43 ch 53 SLA 1973; am § 2 ch 137 SLA 1975; am § 2 ch 114 SLA 1975; am § 3 ch 218 SLA 1976; am § 4 ch 142 SLA 1977; am § 1 ch 20 SLA 1978; am § 2 ch 81 SLA 1978; am § 2 ch 83 SLA 1979; am § 1 ch 85 SLA 1979)

Effect of amendments.

The first 1973 amendment added paragraph (34).

The second 1973 amendment deleted "city representation and vote on" preceding "borough assembly" and added "representation" to the end of paragraph (3).

The 1974 amendment added paragraph (35).

The 1975 amendment added paragraph (36).

The 1976 amendment substituted "AS 29.58.345" for "AS 29.58.340" at the beginning of paragraph (35).

The 1977 amendment added paragraph (37).

The first 1978 amendment rewrote paragraph (22), which formerly read "AS 29.53.010 — 29.53.350, 29.53.400 (borough and city property tax)."

The second 1978 amendment added paragraph (38).

The first 1979 amendment, effective January 1, 1981, rewrote paragraph (3).

The second 1979 amendment, effective July 1, 1979, added paragraph (39).

As the rest of the section was not affected by the amendments, it is not set out.

Legislative committee report. — For report on ch. 53, SLA 1973 (CSHB 382), see 1973 House Journal, pp. 793, 885.

Senate CS for HB 947

* Section 1. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021 (borough assembly composition and apportionment), and AS 29.23.040 - 29.23.050 (borough assembly members)

* Sec. 2. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council [, BUT THE NUMBER OF MEMBERS OF A BOROUGH ASSEMBLY MAY NOT EXCEED 11];

Article 2. Procedures.

Section		Section	
50.	Petition	100.	[Repealed]
70.	Investigation	110.	Incorporation election
80.	Report and hearing	120.	Election of initial officers
90.	Decision on municipal incorporation		

Sec. 29.18.050. Petition. Municipal incorporation is proposed by filing a petition with the Department of Community and Regional Affairs. The petition shall include the following information about the proposed municipality:

(1) class;

(2) name;

(3) boundaries;

(4) [Effective until January 1, 1981] composition and apportionment the assembly or council;

[Effective January 1, 1981] composition and apportionment of the assembly or council, but the number of members of a borough assembly may not exceed 11;

(5) for a first class borough, a designation of areawide powers to be exercised;

(6) for a second class borough, a designation of areawide and nonareawide powers to be exercised;

(7) maps, documents, and other information required by the Department of Community and Regional Affairs;

(8) for first class city incorporation, the signatures and resident address of 50 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(9) for second class city incorporation, the signature and resident address of 25 permanent resident voters or of 15 per cent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the area in the last general election;

(10) for borough incorporation, the signature and resident address of 15 per cent of the permanent resident voters in each first class city and 15 per cent of voters in the area outside first class cities based on the number who voted in the respective areas in the last general election;

(11) for a city, a designation of the powers proposed by the petitioners to be exercised;

(12) a proposed operating budget for the municipality projecting sources of income and items of expenditure through the first full fiscal year of operation. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972; am § 2 ch 212 SLA 1976; am § 3 ch 83 SLA 1979)

Effect of amendments. end of paragraph (8), substituted "25

reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.021. Assembly composition and apportionment [Effective January 1, 1981]. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.023 and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Statute superseded home-rule enactments. — See Roderick v. Sullivan, Sup. Ct. Op. No. 1699 (File No. 2243), 528 P.2d 450 (1974), decided under former AS 29.23.020.

Sec. 29.23.023. Composition and representation requirements for general law boroughs [Effective January 1, 1981]. (a) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose, alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough, but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(b) The proposals set out in (a) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough.

* Sec. 3. AS 29.23.021(b) is amended to read:

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If the borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with the requirements of this section [AS 29.23.023] and prescribed by charter or ordinance.

* Sec. 4. AS 29.23.021 is amended by adding a new subsection to read:

(d) A member of the assembly of a borough may not be elected or appointed by and from the council of a city in the borough.

* Sec. 14. AS 29.23.023 is repealed.

* Sec. 5. AS 29.23.025(a) is amended to read:

(a) Within two [NOT LATER THAN JULY 31, 1981, AND THEREAFTER WITHIN FOUR] months after the official report of a federal decennial census, the borough assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023].

* Sec. 6. AS 29.23.025(b) is amended to read:

(b) If the existing apportionment of the borough assembly does not meet the applicable standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] the assembly shall provide by ordinance for its reapportionment. At the same time, the borough assembly may, by ordinance, change the composition of the assembly.

* Sec. 7. AS 29.23.025(c) is amended to read:

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide, by ordinance, for a change in its composition whenever it determines, on the basis of federa census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 registered [BOROUGH] voters who are residents of the borough requests the borough assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly may [SHALL] make the determination requested. The borough assembly shal make a determination when required by this subsection within two months of its receipt of a petition which meets the requirements of this subsec tion.

The other classification shall consist of all votes cast in the remaining area of the borough. The borough assembly shall, within three months of the certification of the results of the election adopt an ordinance providing for its composition and the form of representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough. (§ 1 ch 83 SLA 1979)

Effective date. — Section 27, ch. 83, SLA 1979, makes this section effective January 1, 1981.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides: "Notwithstanding AS 29.23.040, amended by sec. 4 of ch. 83, SLA 1979, the terms of office of borough assemblymen elected or appointed to dual borough assembly-city council seats are not affected by the amendment made to AS 29.23.040 in sec. 4 of ch. 83, SLA 1979 until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 [24] of ch. 83, SLA 1979, or is effected as required or proposed under AS 29.23.021 — 29.23.025, added by sec. 1 of ch. 83, SLA 1979."

Sec. 29.23.025. Assembly recomposition and reapportionment [Effective January 1, 1981]. (a) Not later than July 31, 1981, and thereafter within four months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 — 29.23.023.

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 — 29.23.023, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly.

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of the votes cast.

(e) Within four months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 — 29.23.025, the assembly shall adopt an ordinance providing for

reapportionment, and submit the ordinance to the voters. If, at the end of the four-month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 — 29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which follows approval of a reapportionment ordinance. (§ 1 ch 83 SLA 1979)

Census Figures Available next April

Sec. 8. AS 29.23.025(e) is amended to read:

(e) Within six [FOUR] months of a determination by the borough assembly that the current apportionment does not meet the standards of AS 29.23.021 [AS 29.23.021 - 29.23.025], the borough assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the six-month [FOUR-MONTH] time period, an ordinance providing for reapportionment has not been approved by the voters, the commissioner of the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 [AS 29.23.021 - 29.23.023] by preparing an order of reapportionment and delivering the order to the borough mayor.

* If it Fails — Existing law —

Sec. 9. AS 29.23.025(f) is repealed and re-enacted to read:

(f) A reapportionment ordinance approved by the voters, or a determination of the borough assembly that the standards of AS 29.23.021 do not require a change in apportionment, may be appealed to the commissioner of the Department of Community and Regional Affairs. Fifty registered voters who are residents of the borough may submit a petition to the commissioner of community and regional affairs requesting the commissioner to determine whether the proposed reapportionment ordinance approved by the voters meets the standards of AS 29.23.021, or whether a determination of the borough assembly that the standards of AS 29.23.021 do not require a change of apportionment is correct. If the petition asks the commissioner of community and regional affairs to review an ordinance approved by the voters under (e) of this section, the petition shall be delivered to the commissioner not later than 20 days after certification of the election. If the petition asks the commissioner of community and regional affairs to review a determination of the borough assembly under (c) of this section, the petition shall be delivered to the commissioner within 20 days of the determination of the borough assembly. The commissioner of community and regional affairs shall review the petition and may make the determination requested. The commissioner of community and regional affairs shall provide copies or his decision to the persons petitioning for appeal and to borough officials not later than 60 days after he receives the petition.

* Sec. 10. AS 29.23.025(g) is amended to read:

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which is held more than 60 days after the latest of the following:

(1) approval of the reapportionment ordinance by the voters under (e) of this section;

(2) the delivery to the mayor of the reapportionment order of the commissioner of community and regional affairs under (e) of this section; or

(3) a final determination of the commissioner of community and regional affairs of an appeal under (f) of this section approving a revised [FOLLOWS APPROVAL OF A] reapportionment ordinance.

* Sec. 11. AS 29.23.025 is amended by adding new subsections to read:

... (h) Each of the following is subject to judicial review:

(1) a reapportionment order of the commissioner of community and regional affairs made under (e) of this section; and

(2) a decision of the commissioner of community and regional affairs on an appeal made under (f) of this section.

(i) The provisions of this section apply to

(1) a home rule and a general law borough;

(2) a unified municipality incorporated under AS 29.68.240 - 29.68.440 before the effective date of this section, unless

(A) election of members of the assembly of a unified municipality occurs at large; or

(B) the commissioner of community and regional affairs determines, not later than February 1, 1981, that the charter of the unified municipality contains procedures by which to apportion election districts or sections.

Sec. 29.23.040. Regular term of office. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs. (§ 2 ch 118 SLA 1972; am § 13 ch 118 SLA 1972; am § 4 ch 83 SLA 1979)

Effect of amendment.

The 1979 amendment, effective June 2, 1979, rewrote the second sentence.

Editor's note. — Section 26, ch. 83, SLA 1979, effective June 2, 1979, provides that the terms of borough assemblymen elected or appointed to dual borough assembly-city council seats are not effected by the amendment made to AS 29.23.040 by sec. 4, ch. 83, SLA 1979 until reapportionment of the assembly is required or proposed under AS 29.23.020 or under AS 29.23.021 — 29.23.025.

* Sec. 12. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. (a) Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. Except when otherwise required by a change of apportionment under AS 29.23.025, if the term of an assemblyman is changed by charter or ordinance, the term of an assemblyman holding office at the time the change takes effect is not affected by that change.

(b) The regular term of office begins on the first Monday following certification of the election, unless a different date is prescribed by borough charter or ordinance. [THE CURRENT TERM OF INCUMBENT ASSEMBLYMEN MAY NOT BE ALTERED UNDER THIS SECTION.]

(c) This section applies to home rule and general law boroughs.

(g) Costs, fees, and other expenses incurred by the charter commission are a debt of the borough and shall be paid upon proper verification. (§ 2 ch 118 SLA 1972)

Sec. 29.68.350. Charter preparation. (a) A charter commission established under this chapter shall prepare, adopt and submit a proposed home rule charter for the area to be unified to the voters for approval or rejection at a regular or special borough election called by the borough assembly held within 60 days of the date of publication and posting of the proposed charter as required in § 380 of this chapter. The charter shall include among its provisions:

(1) provisions for adjustment of existing bonded indebtedness and other obligations in a manner which will reserve a fair and equitable burden of taxation for debt service, subject to § 410 of this chapter;

(2) provision for the establishment of

(A) service areas;

(B) sections, if desired; and

(C) reapportionment of the sections, if established;

(3) provision for nonpartisan government and provision for the selection, organization, authority and responsibilities of the governing body and its executive and administrator;

(4) the transfer or other disposition of property and other rights, claims, assets and franchises of the local government to be unified under the charter;

(5) provision for exercise of the rights of initiative and referendum as required by AS 29.13.050;

(6) a method of amending the charter;

(7) the date on which the charter, if approved at the charter election required by § 390 of this chapter, is effective;

(8) designation of the new municipality's official name, subject to the provisions of (b) of this section;

(9) other charter provisions which the charter commission elects to include and which may be included in a home rule charter under this chapter and the state constitution.

(b) The area to be unified shall be known as a borough or a city or by some other designation consistent with existing law. (§ 2 ch 118 SLA 1972; am § 6 ch 147 SLA 1972)

Effect of amendment. — The 1972 amendment, effective September 10, 1972, deleted the language following "existing law" in subsection (b).

Sec. 29.68.360. Public hearings. Both before and after drafting the proposed charter, the charter commission shall hold a public hearing in each area of the borough represented on the borough assembly. Other public hearings may be held by the charter com-

* Sec. 13. AS 29.68.350(a)(2) is repealed and re-enacted to read:

(2) provisions for

(A) the establishment of service areas; and

(B) the establishment of districts or sections for the election of members of the borough assembly, if election of borough assembly members is not areawide, and procedures by which to reapportion the election districts or sections;

* Sec. 15. Sections 1 - 11, 13, and 14 of this Act take effect January 1, 1981.

* Sec. 16. Sections 12, 15 and 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

Alaska MUNICIPAL League

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586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

Sectional Analysis - Senate CS for HB 947

Sec. 1. Makes AS 29.23.021 applicable to home rule municipalities.

Sec. 2. Deletes requirement that the number of members of a borough assembly may not exceed 11.

Sec. 3. Deletes reference to AS 29.23.023, which is repealed by Sec. 14 of this bill.

Sec. 4. Prohibits institutional representation.

Sec. 5. Requires assembly to determine if malapportioned; changes time limit from 4 months to 2 months; deletes reference to AS 29.23.023.

Sec. 6. Deletes reference to AS 29.23.023; requires changes in apportionment or composition to be made by ordinance - AS 29.23.025(d) requires voter approval of apportionment and composition ordinances.

Sec. 7. Clarifies wording and requires borough assembly to make a determination if malapportioned if petitioned by 50 registered voters who are residents of the borough.

Sec. 8. Lengthens time limit from 4 months to 6 months to adopt a reapportionment ordinance and clarifies wording about Dept. of C&RA providing for reapportionment.

Sec. 9. New section which provides review by the C&RA Commissioner if petitioned by 50 registered voters who are residents of the borough.

Sec. 10. Technical change in effective date of reapportionment plans.

Sec. 11. Provides for judicial review; makes section applicable to home rule and general law boroughs and to unified municipalities whose assemblies are not elected at large or whose charter does not contain reapportionment provisions.

Sec. 12. Permits reapportionment to change the regular term of office of an assemblyman; permits charter or ordinance to change when the regular term of office begins.

Sec. 13. Clarifies that charters for unified municipalities must contain provisions for reapportionment procedures.

Sec. 14. Repeals AS 29.23.023, which would require special elections on forms of representation, dual-plurality to implement, and extremely tight time limits.

Sec. 15 & 16. Effective date sections.

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Community & Regional Affairs	House Community & Regional Affairs Committee	CSHB 947

DEPARTMENT POSITION

Support

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Palmer McCarthy	4/16/80	Lee McKinney	16.4.80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)
(2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

This bill would give home rule and general law boroughs the power to establish the date a newly elected assemblyman's term begins. Under current law, the term of office must begin on the first Monday following certification of the election.

The committee substitute adds the provision an assemblyman is not affected if his term is changed while he is holding office. He would complete the term for which he was elected.

(4) FISCAL IMPACT ☑ NONE ☒ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

(6) COMMENTS

This bill gives boroughs greater flexibility in providing for self-government.

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Sectional Analysis - Senate CS for HB 947

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Sec. 8. Lengthens time limit from 4 months to 6 months to adopt a reapportionment ordinance and clarifies wording about Dept. of C&RA providing for reapportionment.

Sec. 9. New section which provides review by the C&RA Commissioner if petitioned by 50 registered voters who are residents of the borough.

Sec. 10. Technical change in effective date of reapportionment plans.

Sec. 11. Provides for judicial review; makes section applicable to home rule and general law boroughs and to unified municipalities whose assemblies are not elected at large or whose charter does not contain reapportionment provisions.

Sec. 12. Permits reapportionment to change the regular term of office of an assemblyman; permits charter or ordinance to change when the regular term of office begins.

Sec. 13. Clarifies that charters for unified municipalities must contain provisions for reapportionment procedures.

Sec. 14. Repeals AS 29.23.023, which would require special elections on forms of representation, dual-plurality to implement, and extremely tight time limits.

Sec. 15 & 16. Effective date sections.

HOUSE

DAILY COMMITTEE ANNOUNCEMENTS

DATE: April 18, 1980

Prepared by the Chief Clerk's Office

	ROOM	TIME	TOPIC
COMMERCE 465-3834	ASMBLY 208	8:00 a.m. 4/18	Sunset legislation re: Alaska Public Utilities Commission Will also consider other bills previously announced that have committee substitutes prepared
C&RA 465-3824	CAP 112	8:30 a.m. 4/18	HB 685 Regional housing authorities HB 698 Composition and representation/boroughs Markets Bill Passed out motion aff.
FINANCE 465-3795	CAP. 519	1:30 p.m. 4/18	HB 648 Fire prevention HB 715 Supplapprop/Dept of Law HB 610 Spec.approp/Dept.Admin/older Ak/Programs HB 611 State aid SVC programs Older Alaskans HB 618 Establish Older Alaskans CMSN HB 710 Approp adjust/H&SS/Public Assistance
HESS 465-3797 3777	CAP. 112	1:30 p.m. 4/18	School construction
JUDICIARY 465-3718 3882	CAP. 124	3:00 p.m. 4/18	HB 399 Membership/Wood-Tikchik State Park Mgmt Council HB 1 Maximum length - Salmon Seine Vessels
LABOR & MGMT. 465-4981			
RESOURCES 465-3715 (Osterback) 465-3734 (Miles)	CAP. 118		TO BE ANNOUNCED
STATE AFF. 465-4964 4965	CAP. 102		NO MEETING
RULES 465-3764	CAP. 208		

Please check updated version released after today's floor session.

Alaska MUNICIPAL League

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204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

December 21, 1979

To: Elected Officials
Administrators
Attorneys
Board of Directors
Legislative Committee

From: Ginny Chitwood

Re: Borough Assembly Apportionment

Enclosed are copies of the current law on borough assembly apportionment and a draft of proposed revisions. Ron Larson, Legislative Committee Chairman, will preside at a hearing on this subject in Juneau on Friday, January 25 at 9:00 am in the Juneau Municipal Building. The purpose of the meeting is to bring all ideas together and draft a final version for presentation to the AML Board of Directors. Mayor Larson asks that you review the enclosed material. If you cannot attend the meeting, please forward your suggestions to him at the Matanuska-Susitna Borough or to the AML office.

cc: Senator Sturgulewski
Representative Parker
Representative Branson
Jack Chenoweth

Letter to Leg. Conn. A.M.L.
to Leg Off.
(1) appointment
(2) planning —

COFRECTION

HCS CSSB 137 am H

Please discard all copies of the Bill and retain this corrected version.

I have a commitment re removal re-appointment — I might also in bought about

Gt Planning — Dr Mhae

295 Coff

2 cy

Ask Jessie re Ron Pegues for letter of stating concern

a.m.h. — think subst in "dual majority" not in "planning delegation"

Original sponsor: Rules/Governor

Offered: 4/27/79
Referred: Rules

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE CS FOR CS FOR SENATE BILL NO. 137 am H

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the municipal code; and providing for an effective date."

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

* Section 1. AS 29.23 is amended by adding new sections to read:

Sec. 29.23.021. ASSEMBLY COMPOSITION AND APPORTIONMENT. (a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters If a borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with AS 29.23.-023 and prescribed by charter or ordinance.

(c) An assembly may not provide for weighted voting.

Sec. 29.23.023. COMPOSITION AND REPRESENTATION REQUIREMENTS FOR GENERAL LAW BOROUGHS. (a) The borough assembly shall provide for its composition and for the form of its representation. Not later than July 31, 1981, and thereafter within four months after the report of a federal decennial census, the assembly shall propose and submit to the voters at a regular election or special election called for the purpose alternative forms of representation by which members are

(1) elected at large by all qualified voters of the borough;

(2) elected at large by all qualified voters of the borough,

but required to live within an election district or zone established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

(3) elected by and from election districts or zones established by the borough for the election of borough assembly members.

(b) The proposals set out in (a) of this section shall be submitted to the voters. The vote on the proposals submitted to the voters shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough. The other classification shall consist of all votes cast in the remaining area of the borough. The borough assembly shall, within three months of the certification of the results of the election, adopt an ordinance providing for its composition and the form or representation which conforms to the form of representation receiving a plurality of the votes in each classification at that election.

(c) A member of the assembly of a general law borough may not be elected or appointed by and from the council of a city in the borough.

Sec. 29.23.025. ASSEMBLY RECOMPOSITION AND REAPPORTIONMENT. (a) Not later than July 31, 1981, and, thereafter, within four months after the official report of a federal decennial census, the assembly shall determine and declare by resolution if the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 - 29.23.023.

(b) If the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021 - 29.23.023, the assembly shall provide by ordinance for its reapportionment. At the same time, the assembly may change the composition of the assembly

(c) In addition to providing for apportionment at the times required under (b) of this section, the borough assembly shall provide by

ordinance for its reapportionment and may provide for a change in its composition whenever it determines, on the basis of federal census reports or other reliable population data, that the existing apportionment does not meet the standards for apportionment in AS 29.23.021. If a petition signed by not less than 50 borough voters requests the assembly to determine whether the existing apportionment meets the standards for apportionment in AS 29.23.021, and the petition contains evidence that the existing apportionment does not meet those standards, the assembly shall make the determination requested.

(d) An ordinance adopted by the assembly under (b) or (c) of this section shall be submitted to the voters for approval. In order for the ordinance to be approved it must receive the approval of a majority of the votes cast.

(e) Within four months of a determination by the assembly that the current apportionment does not meet the standards of AS 29.23.021 - 29.23.025; the assembly shall adopt an ordinance providing for reapportionment, and submit the ordinance to the voters. If, at the end of the four month time period, an ordinance providing for reapportionment has not been approved, the Department of Community and Regional Affairs shall provide for the reapportionment in accordance with the standards of AS 29.23.021 - 29.23.023.

(f) A reapportionment ordinance, or a determination of the borough assembly that applicable standards do not require adoption of a change in apportionment, is subject to judicial review.

(g) A change in assembly apportionment or composition under this section is effective beginning with the first regular election for members of the assembly which follows approval of a reapportionment ordinance.

* Sec. 2. AS 29.13.100(3) is repealed and re-enacted to read:

(3) AS 29.23.021; 29.23.025 - 29.23.050 (composition and apportionment of borough assembly; borough assembly recomposition and reapportionment; assembly representation)

* Sec. 3. AS 29.18.050(4) is amended to read:

(4) composition and apportionment of the assembly or council, but the number of members of a borough assembly may not exceed 11;

* Sec. 4. AS 29.23.040 is amended to read:

Sec. 29.23.040. REGULAR TERM OF OFFICE. Assemblymen are selected for three-year terms and until their successors are selected and have qualified, unless different terms not exceeding four years are prescribed by borough charter or ordinance. The regular term of office begins on the first Monday following certification of the election. [HOWEVER, IF UNDER A BOROUGH APPORTIONMENT CITY COUNCILMEN ARE APPOINTED AS ASSEMBLYMEN OR ELECTED TO DUAL ASSEMBLY-COUNCIL SEATS, THEY MAY NOT BE REPLACED UNTIL THEIR ASSEMBLY TERM EXPIRES AS PROVIDED BY CITY CHARTER OR ORDINANCE, OR THEY CEASE TO BE A MEMBER OF EITHER THE ASSEMBLY OR COUNCIL.] The current term of incumbent assemblymen may not be altered under this section. This section applies to home rule and general law boroughs.

* Sec. 5. AS 29.23.130(c) is amended to read:

(c) The borough mayor's regular term of office is three years and until a successor is elected and has qualified and begins on the first Monday following certification of the mayor's [HIS] election [, WHICH IS HELD THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTION IS PROVIDED BY ORDINANCE]. The assembly may provide by ordinance for a different term not to exceed four years, except that the current term of an incumbent borough mayor may not be altered.

* Sec. 6. AS 29.23.130(d) is amended to read:

(d) A borough may adopt or abandon a manager plan at any time, as

provided in AS 29.23.410 - 29.23.480. The borough mayor may not veto an ordinance or resolution calling for an election on this question. The manager has all the powers and duties of the borough mayor as chief administrative officer. [IF THE MANAGER PLAN IS ADOPTED, IT BECOMES EFFECTIVE FOLLOWING CERTIFICATION OF THE RESULTS OF THE FIRST REGULAR ELECTION OCCURRING AT LEAST SIX MONTHS AFTER ADOPTION OF THE PLAN.] The borough mayor then serves as borough executive.

* Sec. 7. AS 29.23.200(c) is amended to read:

(c) Councilmen are selected [AN ELECTION IS HELD ANNUALLY ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT ELECTION DATE OR INTERVAL OF YEARS IS PROVIDED BY ORDINANCE, TO CHOOSE COUNCILMEN] for three-year terms and until their successors are elected and have qualified. The regular term of office begins on the first Monday following certification of the election. The council may provide by ordinance for different terms not to exceed four years, except that the current term of incumbent councilmen may not be altered.

* Sec. 8. AS 29.23.210(a) is amended to read:

(a) The council shall meet at least once every month, unless otherwise provided by ordinance. Special meetings may be held on the call of the mayor or two councilmen upon not less than 24 hours written or oral notice communicated to each member. In an emergency a special meeting called on less than 24 hours notice is a legal meeting if all members are present or there is a quorum and all absent members have waived in writing the required notice. A waiver may be made either before or after the time of the meeting. The waiver shall be attached to and made a part of the journal for that meeting.

* Sec. 9. AS 29.23.250(c) is amended to read:

(c) The mayor of a second class city is elected by and from the council for a term of one year and until a successor is elected and

has qualified [EQUAL IN LENGTH TO A COUNCILMAN'S TERM].

* Sec. 10. AS 29.23.250(d) is amended to read:

(d) The mayor's regular term begins on the first Monday following certification of the mayor's [HIS] election [, WHICH IS HELD ON THE FIRST TUESDAY OF OCTOBER, UNLESS A DIFFERENT DATE OF ELECTION IS PROVIDED BY ORDINANCE]. The council of a second class city shall meet on the first Monday after certification of the regular election [DATE] and elect a mayor who takes office immediately.

* Sec. 11. AS 29.23.440(a) is amended to read:

(a) If the manager plan is approved, the assembly or council shall, within 60 days, adopt the plan by ordinance or resolution.

* Sec. 12. AS 29.33.010(b) is amended to read:

(b) No city, whether home rule or not, may exercise an areawide power [CONFERRED IN, OR ASSUMED BY MEANS OF AS 29.33.250 - 29.33.290] once that power is being exercised by a borough.

* Sec. 13. AS 29.33.070(b)(2) and (3) are amended to read:

(2) delegate other planning and zoning powers conferred by this chapter [ADMINISTRATIVE AND ENFORCEMENT RESPONSIBILITIES] to a [THE] city within the borough [, PROVIDED THAT BOROUGH JURISDICTION IS NOT IMPAIRED];

(3) revoke or modify any part or all of the [WITHDRAW] powers delegated under this subsection.

* Sec. 14. AS 29.33.110(a) is repealed and re-enacted to read:

(a) The assembly is the board of adjustment but may delegate by resolution or ordinance part or all of its functions to a city within the borough for the area within city boundaries in accordance with AS 29.33.070(b)(1), in addition to making delegations as provided for an assembly under AS 29.33.245. Meetings of the borough board are held at the call of the presiding officer and of the city board by the mayor.

The presiding officer or mayor may administer oaths and compel attendance of witnesses. Meetings and hearings of the board shall be open to the public and the board shall keep minutes of its proceedings as a public record.

* Sec. 15. AS 29.33.190(a) is amended to read:

(a) The owner or agent of the owner of land located within a subdivision who transfers, sells, or enters into a contract to sell land in a subdivision before a plat of the subdivision has been prepared, approved, and recorded, is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500 for each lot or parcel transferred, sold, or included in a contract to be sold. The borough [PLATTING BOARD] may enjoin a transfer, sale, or contract to sell, and may recover the penalty by appropriate legal action.

* Sec. 16. AS 29.48.180(a) is amended to read:

(a) Each ordinance [AND RESOLUTION] after adoption shall be codified.

* Sec. 17. AS 29.48.180(c)(2) is amended to read:

(2) the ordinance is a provision which establishes a rule of conduct or behavior and which is included, or to be included, in a code of ordinances or other complete system of [POSITIVE] law enacted [PROMULGATED BY THE COUNCIL] and kept current [BY THE CITY] at reasonable intervals.

* Sec. 18. AS 29.48 is amended by adding a new section to read:

Sec. 29.48.185. RESOLUTIONS. The assembly or council shall provide for the maintenance of a permanent file of resolutions that have been adopted.

* Sec. 19. AS 29.48.200 is amended to read:

Sec. 29.48.200. PENALTIES. For the violation of an ordinance, the assembly or council may prescribe punishment not to exceed a fine of

$500 or imprisonment for 30 days, or both. However, the punishment authorized under this section may be imposed only if [AN ORDINANCE IS CODIFIED AND] copies of the ordinance are made available for distribution to the public at cost.

* Sec. 20. AS 29.58.200 is amended by adding new subsections to read:

(b) A municipality may issue its revenue bonds to finance the purchase of residential mortgage loans. The revenue bonds issued under this subsection are payable solely from the principal and interest of the mortgage loans and from any other amounts pledged by the municipality, except the pledge of revenues derived from taxes. Revenue bonds issued under this subsection do not constitute a general obligation of the municipality.

(c) A municipality may also issue revenue bonds for any lawful purpose. The bonds shall be payable from any amounts pledged by the municipality except taxes and shall not constitute general obligations of the municipality.

* Sec. 21. AS 29.58.210 is amended to read:

Sec. 29.58.210. FORMS AND TERMS. The assembly or council shall fix the date of the bonds, denominations, maturities, rate or rates of interest, place and manner of payment, redemption terms, registration privileges, manner of execution, [AND] signatures required, and other details of the bonds. If an officer whose signature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature is valid as if he had remained in office until delivery.

* Sec. 22. AS 29.58.220 is amended to read:

Sec. 29.58.220. PAYMENT. Bonds issued under AS 29.58.200 - 29.58.220 or the proceedings of the assembly or council authorizing their issuance may contain the covenants which the assembly or council considers advisable concerning

(1) the rates or fees to be charged for services rendered by the public facilities, the revenue of which is pledged to the payment of the bonds, or the terms and conditions of any other amounts collected which are pledged to the payment of the bonds;

(2) the deposit and use of the revenue of the public facilities or of other amounts collected which are pledged to the payment of the bonds;

(3) the issuance of additional bonds payable from revenue of the public facilities or of other amounts collected which are pledged to the payment of the bonds;

(4) the rights of the bondholders in case of default in the payment of the principal or interest on the bonds, including the appointment of a receiver to operate the public facilities;

(5) other covenants as the assembly or council determines."

* Sec. 23. AS 29.63.065(b)(2) is amended to read:

(2) a claimant receiving the exemption must file with the department by March [JANUARY] 15 of each subsequent year a separate application proving eligibility as of January 1 in order to retain the exemption. Within the same year the department [THE ASSEMBLY OR COUNCIL] for good cause shown may waive the claimant's failure to make timely application and approve the application as if timely filed.

* Sec. 24. AS 29.23.020 is repealed.

* Sec. 25. AS 29.59 is repealed.

* Sec. 26. Notwithstanding AS 29.23.040, amended by sec. 4 of this Act, the terms of office of borough assemblymen elected or appointed to dual borough assembly - city council seats are not affected by the amendment made to AS 29.25.040 in sec. 4 of this Act until reapportionment of the borough assembly is required or proposed under AS 29.23.020, repealed by sec. 21 of this Act, or is effected as required or proposed under AS 29.23.021 - 29.23.-

025, added by sec. 1 of this Act.

* Sec. 27. Sections 1 - 3 and 24 of this Act take effect January 1, 1981. Sections 4 - 23, 25 and 26 of this Act take effect immediately in accordance with AS 01.10.070(c).

Article 4. Planning, Platting and Zoning.

Section
70. Planning, platting and zoning
90. Zoning

Sec. 29.33.070. Planning, platting and zoning. (a) First and second class boroughs shall provide for planning, platting and zoning on an areawide basis.

(b) The assembly by ordinance may

(1) designate the council of a city within the borough as a board of adjustment within the city;

(2) delegate other planning and zoning administrative and enforcement responsibilities to the city, provided that borough jurisdiction is not impaired;

(3) withdraw powers delegated under this subsection. (§ 2 ch 118 SLA 1972; am § 1 ch 17 SLA 1977; am § 7 ch 93 SLA 1977)

Effect of amendments. — The first 1977 amendment, in subsection (b) deleted "If a city within a borough is located more than 25 miles from a boundary of the borough seat" from the beginning of the introductory language and substituted "a city within the borough" for "the city" in paragraph (1).

The second 1977 amendment substituted "First and second class boroughs" for "Boroughs" at the beginning of subsection (a).

Cited in Moore v. State, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976).

Sec. 29.33.090. Zoning. (a) In accordance with the comprehensive plan, the assembly shall regulate and restrict the use of land and improvements by districts or contract zoning to permit specific uses provided for in the contract. Regulations shall be uniform for each class or kind of building, structure, land or water area within each district, but the regulations may differ among districts and exceptions may be made in order to provide for the preservation, maintenance and protection of historic sites, buildings and monuments. In this section, "contract zoning" means a zoning reclassification to a less restricted use when the owner of the rezoned property, either through an agreement with the assembly or a covenant in favor of the borough, places restrictions on the use of the land beyond the zoning requirements generally attaching to the new district in which the property has been placed. The assembly shall hold a public hearing on the proposed contract zoning.

(d) The assembly shall regulate and restrict the use of state land within the borough which is vacant, unappropriated and unreserved and which is found suitable for classification and disposal for homesite entry under AS 38.08.010. Compliance with the provisions of this subsection is a prerequisite to issuance of homesite entry permits for land within the borough.

(am § 1 ch 104 SLA 1974; am § 3 ch 142 SLA 1977)

December 13, 1979
DRAFT

AN ACT

Relating to the composition and apportionment of borough assemblies; and providing for an effective date.

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

Section 1: AS 29.23.021, AS 29.23.023, AS 29.23.025 are repealed.

Section 2: AS 29.23 is amended by adding new sections to read:

Sec. 29.23.021. ASSEMBLY COMPOSITION AND APPORTIONMENT.

(a) Assembly composition and apportionment shall be consistent with the equal representation standards of the Constitution of the United States.

(b) The assembly of a newly incorporated borough is, after incorporation and until the adoption of an ordinance providing for a change in composition or apportionment, composed of the number of members and apportioned as set out in the incorporation petition approved by the voters. If a borough is already incorporated, the assembly shall be composed and apportioned in a manner that is consistent with this chapter and prescribed by charter or ordinance.

(c) All assembly members shall have an equal vote with each other on all matters. Weighted or fractioned voting is prohibited.

Sec. 29.23.023. COMPOSITION AND REPRESENTATION.

(a) After the report of the 1980 Federal Decennial Census and not later than July 31, 1981, the assembly shall adopt a resolution selecting one of the following forms of representation:

1. members to be elected at large by all qualified voters of the borough;

2. members to be elected at large by all qualified voters of the borough, but required to live within an election district or zone to be thereafter established by the borough for election of assembly members, with each district or zone being of substantially equal population; or

3. members to be elected by and from election districts or zones to be thereafter established by the borough for the election of borough assembly members, with each district or zone being of substantially equal population; or

4. members to be elected by a specified combination of any of the above three forms as specified and set forth in the resolution.

(b) If the assembly fails to adopt such a resolution within the time specified the Department of Community and Regional Affairs shall be notified promptly and shall select the form of representation to be submitted to the voters for their approval under subsection (c) in the same manner as if it had been selected by the assembly.

(c) The form which is selected by the assembly shall be submitted to the voters for their approval at a regular election or special election called for that purpose within four months of the resolution. The vote on the proposal shall be tabulated in two separate classifications. One classification shall consist of all votes cast in the first class and home rule cities in the borough. The other classification shall consist of all votes cast in the remaining area of the borough. To be approved the proposed form of representation must be accepted by an affirmative vote of a majority of the qualified voters who vote on the question of approval in each classification at that election.

(d) If the form of representation selected by the assembly fails to be approved by the voters the assembly may select from among the other forms of representation and hold additional elections to seek the approval of the voters. Within four months of the certification of the results of the first election if a form of representation has not been approved, the Department of Community and Regional Affairs shall be promptly notified and shall select, within one month thereof, the form of representation to be implemented by the assembly. The Department shall notify the borough assembly of its selection at which time the assembly shall begin to implement this form of representation. Whether approved at an election or selected by the Department of Community and Regional Affairs the borough assembly shall implement that form of representation in the manner and according to the time limits provided in (e).

(e) If the form of representation approved or selected by the Department of Community and Regional Affairs is one by which assembly members are to be elected at large by all qualified voters of the borough, the borough assembly shall have two months from the date of certification of the results of the election or of notification of the selection by the Department of Community and Regional Affairs to devise and adopt an ordinance implementing that form of representation. If any other form or combination of forms of representation is approved or selected, the borough assembly shall have six months thereafter to devise and adopt an ordinance implementing such a form of representation. If the assembly does not adopt such an ordinance within the time specified the Department of Community and Regional Affairs shall devise such an ordinance within six months which shall then be adopted by the assembly.

(f) The provisions of the ordinance shall become applicable at an election to be held not later than six (6) months following the adoption of the ordinance. At such election all assembly positions shall be up for election. The borough assembly members elected at this election shall determine by lot the length of their term of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

(g) The borough assembly may change its form of representation by the procedures described in this section at such other times as it deems appropriate. The borough assembly may change the number of members of assembly by ordinance at such times as it deems appropriate. If this change affects the apportionment of the assembly it shall be accomplished according to the procedures provided for reapportionment in AS 29.23.025.

(h) A member of the assembly of a general law borough shall be elected directly by the voters to that position. A member shall not hold such position by virtue of appointment or election by the council of a city within the borough, except until the new assembly members elected at the first election held under the ordinance enacted according to subsections (a) through (f) of this section are sworn-in to office. This shall not prohibit nor preclude a member of the council of a city in the borough from being eligible for election as, and serving as a member of the assembly of that borough if so elected, nor a member of the assembly of a borough from being eligible for election as and serving as a member of the council of a city within that borough if so elected.

Sec. 29.23.025. ASSEMBLY REAPPORTIONMENT.

(a) Not later than July 31, 1981, and thereafter within two months after the official report of a Federal Decennial

with the applicable standards of AS 29.23.021. At the same time the assembly may alter its form of representation or composition.

(e) If the assembly chooses to alter the existing form of representation it shall do so according to the procedures and within the time limits described in AS 29.23.023 while concurrently effectuating the necessary change in its apportionment.

(f) If the reapportionment is to be accomplished without a change in the form of representation then the assembly shall have six (6) months to devise and adopt an ordinance which implements proper apportionment complying with the standards of AS 29.23.021. If the assembly does not adopt such an ordinance within the time specified the Department of Community and Regional Affairs shall be notified immediately and shall devise such an ordinance to accomplish proper reapportionment within six (6) months. That ordinance shall then be adopted by the assembly.

(g) The provisions of the ordinance shall become applicable at an election to be held not later than six (6) months following the adoption of the ordinance. At such election all assembly positions shall be available for election. The borough assembly members elected at this election shall determine by lot the length of their term of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

Section 3: Section 2 of this Act shall take effect on January 1, 1981. Section 1 of this Act shall take effect immediately in accordance with AS 01.10.070(c).

Census, the assembly shall determine and declare by resolution whether the existing apportionment of the assembly meets the applicable standards of AS 29.23.021. If it is determined that the existing apportionment of the assembly does not meet the applicable standards of AS 29.23.021, the assembly shall provide by ordinance for its reapportionment.

(b) The assembly shall also determine and declare by resolution whether the existing apportionment of the assembly meets the applicable standards of AS 29.23.021 within two months after being presented with evidence indicating that it does not so comply. This evidence may be presented in either of two ways. It may be presented at the initiative of the assembly or accompanying a petition which is filed with the assembly requesting such a determination. The petition must be signed by not less than fifty registered and qualified voters of the borough. The evidence presented must be based on federal census reports or other reliable population data which has been certified prior to presentation, as reliable by the Department of Community and Regional Affairs.

(c) A reapportionment moritorium shall exist for two years after the adoption of a resolution by the assembly determining that the existing apportionment does meet the applicable standards of AS 29.23.021 or after the adoption of an ordinance implementing a change in apportionment. During this period the assembly shall not accept or consider any petitions for reapportionment as described in (b), although this shall not limit or prevent reapportionment by any other methods.

(d) Upon the adoption of a resolution by the assembly declaring the existing apportionment to be improper, the assembly shall devise a new apportionment to comply

with the applicable standards of AS 29.23.021. At the same time the assembly may alter its form of representation or composition.

(e) If the assembly chooses to alter the existing form of representation it shall do so according to the procedures and within the time limits described in AS 29.23.023 while concurrently effectuating the necessary change in its apportionment.

(f) If the reapportionment is to be accomplished without a change in the form of representation then the assembly shall have six (6) months to devise and adopt an ordinance which implements proper apportionment complying with the standards of AS 29.23.021. If the assembly does not adopt such an ordinance within the time specified the Department of Community and Regional Affairs shall be notified immediately and shall devise such an ordinance to accomplish proper reapportionment within six (6) months. That ordinance shall then be adopted by the assembly.

(g) The provisions of the ordinance shall become applicable at an election to be held not later than six (6) months following the adoption of the ordinance. At such election all assembly positions shall be available for election. The borough assembly members elected at this election shall determine by lot the length of their term of office so that a proportionate number of terms expire each year, resulting in staggered terms of office for members subsequently elected.

Section 3: Section 2 of this Act shall take effect on January 1, 1981. Section 1 of this Act shall take effect immediately in accordance with AS 01.10.070(c).

HCR 7

RE: KODIAK ANNEXATION

COMMITTEE REPORT

SENATE

FURTHER: None

2/21/79

Date: 2-22-79

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had HCR 7 am annexation of territory to the City of Kodiak

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

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Patrick Rogers
Tom Kelly
Curtis Stanford

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Curtis Stanford
CHAIRMAN

Do Pass

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob McCahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Mike Colletta
Senator Jalmer Kerttula
Senator John Sackett
Senator M.E. Dankworth
Senator Pete Meland
Senator Bill Sumner
Senator Robert Ziegler
Senator W.E. Bradley
Senator Bettye Fahrenkamp
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 22, 1979

1:30 p.m. SB 2 - An Act relating to the Comprehensive Recycling and Reduction of Litter and Imposing a Litter Reduction Assessment; and providing for an effective date.

Added HSR 10
HCR 7, 14

HCR7

Alaska State Legislature

Senate

Office of the Secretary

January 21, 1980

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

From: Secretary of the Senate

Subject: Report to the Second Session of the Eleventh Legislature relating to Review of Services provided to the Residents in the Kodiak Island Borough

The President has referred the above report to the Community and Regional Affairs Committee for your information.

1-29-80
Sen. C/RA
heard & discussed
Report.
No action
needed

Encl: C&RA report of January 18, 1980

CDRA

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 18, 1980

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

In accordance with the provision of House Concurrent Resolution No. 7 as amended, presented herewith is a report reviewing the progress made to provide services to the "urban" resident of the Kodiak Island Borough not residing within the City of Kodiak.

The report is a brief summary of the existing situation in Kodiak, progress that has been made this past year, and recommendations for further action to resolve the problems that still exist before water and sewer services can be provided to residents living outside the City of Kodiak boundary.

Sincerely,

Lee

Lee McAnerney
Commissioner

Enclosures

21-P2LH

Report to the Second Session of the Eleventh Legislature Relating to Review of Services Provided to the Residents in the Kodiak Island Borough

Prepared and Submitted Pursuant
to House Concurrent Resolution No. 7AM
by the Department of Community and Regional Affairs

January 18, 1980

Background

As a result of a petition to annex a small area into the City of Kodiak the Local Boundary Commission (LBC) held two public hearings, one on December 12, 1977 and the other on May 20, 1978, to take public testimony on the annexation of a larger area to the City of Kodiak. This area included the Spruce Cape area, the Mill Bay Road area, the Monashka Bay area, and the United States Coast Guard Station. Following the public hearing the LBC recommended to the First Session of the Eleventh Legislature that all of the areas, except the Coast Guard Station, be annexed to the City of Kodiak. The Legislature disapproved this annexation by adoption of House Joint Resolution 10. The Legislature, in House Concurrent Resolution No. 7 amended, requested the Department of Community and Regional Affairs to study the various options to provide "services throughout the road system extending North and Northeast of the City of Kodiak" and to submit a report to the Legislature by January 20, 1980.

Progress to Date

During 1979, the City of Kodiak and the Kodiak Island Borough worked together to devise an acceptable compromise to provide services to the residents of Service District #1 which includes the area proposed by the LBC for annexation. The Department was kept apprised of these negotiations, and it was clear that the City and Borough wished to work its problem out without C&RA involvement.

The negotiations centered around providing water and sewer service to an area referred to as Service District #1, which includes the Island Lake and Spruce Cape areas. The City of Kodiak indicated in writing in December, 1979, that "the City's attitude does not preclude small annexations as requested through the presentation of 100% petitions, but does reject the idea of major annexations". This attitude would also preclude the provision of services by instituting a step annexation. The Local Boundary Commission has also stated that it will not pursue annexation in the City of Kodiak area on its own and will only become involved if petitioned.

The method of providing service through a service district approach appears to have the mutual support of the City and Borough. The City is willing to provide water at the city boundary to Service District #1 and to treat effluence from this area. The City will provide water meters to allow for the billing to the Borough for the residents getting water and sewer service in the area outside the c

The major concerns that need to be resolved deal with the operation and maintenance of the water and sewer utility service. A rate study needs to be conducted and the City and Borough have not, as of this date, reached an agreement on selection of a consulting firm to do this work. The City has stated that it does not wish to become involved in any contractual arrangement to operate and maintain the water and sewer systems within Service District #1. City Mayor Al Beardsley states that this "maintenance (within Service District #1) can just as easily be contracted (by the Borough) with a private firm". Agreement has been reached to allow the City inspection privileges during

installation of sewer lines to minimize infiltration into the sewer collection system within Service District #1.

Public Meeting

On January 12, 1980 Commissioner Lee McAnerney convened a public meeting for the purpose of receiving public comment regarding the "best" way to provide services to those residents of the Kodiak "urban" community outside the City of Kodiak. The managers of both the City and Borough, the city mayor, seven other assembly or council members, and fourteen public participants were present at the meeting.

Thirteen persons testified during the meeting. The overwhelming majority of those testifying favored the direction that the City and Borough have taken in negotiations between these two local governments. The testimony expressed a feeling that the service district approach gives the residents involved more alternatives in the level of service they will receive.

One person testified in favor of annexation of Service District #1 to the City of Kodiak as the best short-term alternative with unification of the City and Borough being the long-term or ultimate solution.

Future Outlook

This Department is prepared to assist the City of Kodiak and the Kodiak Island Borough in their attempt to work out remaining differences between them. Both the City and Borough should be commended for the progress that has been made to date. There is no reason to think that the remaining

differences cannot be worked out within the next few months.

The question of unification will again appear on the October, 1980 ballot. If this proposition is approved, jurisdictional problems in providing services to Kodiak Island residents would be resolved.

The Department concludes that no further action is required by the Legislature, the Local Boundary Commission or this Department, at this time, in the matter of provision of municipal services to residents living within the Kodiak "urban" area.

Following passed Legislature

LEGISLATIVE RESOLVE 3 (HJR 10)

Disapproving Boundary Commission Recommendations

Signed by Governor - 3/5/79

LEGISLATIVE RESOLVE 4 (HCR 7, am)

Re Annexation of Territory to the City of Kodiak

Read by Governor - 3/5/79

OUR
SJR 2 } Remain in
SCR 19 } Comittee Dead
Files

STATE OF ALASKA

THE LEGISLATURE

1979

Source

HJR 10

Legislative Resolve No.

3

Relating to Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak.

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

WHEREAS, under art. X, sec. 12 of the Constitution of the State of Alaska, the Local Boundary Commission has presented to the legislature its Recommendation I of January 23, 1979, entitled "Recommendation for Annexation of Territory to the City of Kodiak"; and

WHEREAS recommendations of the Local Boundary Commission presented to the legislature become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by the majority of the members of each house;

BE IT RESOLVED by the Alaska State Legislature that Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak is disapproved.

STATE OF ALASKA

THE LEGISLATURE

1979

Source: HCR 7 am

Legislative Resolve No.: 4

Relating to an annexation of territory to the City of Kodiak.

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

WHEREAS the road system extending north and northeast of the present boundaries of the City of Kodiak to those areas popularly known as Spruce Cape, Island Lake, Mill Bay, and Monashka Bay defines a natural community of residents whose lives and activities generally involve interaction with residents of and services provided in the City of Kodiak; and

WHEREAS, after public hearings and a public decisional meeting, the Local Boundary Commission of the State of Alaska has recommended annexation of a major portion of the area described by the road network to the City of Kodiak; and

WHEREAS the Legislature, by its adoption of House Joint Resolution 10, has disapproved the annexation submitted by the Department of Community and Regional Affairs on behalf of the Local Boundary Commission; and

WHEREAS, after opportunity for public comment before legislative committees, it appears that an adequate municipal services draft annexation plan was not earlier available for public review; and

WHEREAS there is ample evidence in the record of hearings before the Local Boundary Commission and the legislative committees that growth and development are occurring in the area; and

WHEREAS population growth and development have in some areas created a situation which endangers the public health, and require that certain services be provided;

BE IT RESOLVED by the Alaska State Legislature that the Governor is respectfully requested to direct the commissioner

of the Department of Community and Regional Affairs immediately to

(1) work with the appropriate departments of the state government, the City of Kodiak and the Kodiak Island Borough to alleviate the public health problem in the areas of Island Lake, Dark Lake and their drainage;

(2) work with the City of Kodiak and the Kodiak Island Borough to examine alternatives, including their impact, which might be applicable to the provision of appropriate services to the area located generally north and northeast of the corporate limits of the City of Kodiak, including but not limited to

(A) step annexation, by which residents of the annexed area would pay a percentage of the full city property tax rate equal to the total percentage cost of all services provided;

(B) annexation, with an adequate draft municipal services plan which may include provision for differential tax zones;

(C) unification; and

(D) any other methods of providing services throughout the road system extending north and northeast of the City of Kodiak; and

(3) convene one or more public meetings with interested residents of the area for the purpose of ascertaining the nature and degree of essential services and to review information relating to costs and benefits of the various alternatives for delivering services; and be it

FURTHER RESOLVED that the commissioner of the Department of Community and Regional Affairs evaluate, after consultation with the City of Kodiak and the Kodiak Island Borough, the alternatives and recommend a plan of implementation; and be it

FURTHER RESOLVED that the commissioner transmit a report to the Second Session of the Eleventh Legislature not later than January 20, 1980.

DCRA

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 18, 1980

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

In accordance with the provision of House Concurrent Resolution No. 7 as amended, presented herewith is a report reviewing the progress made to provide services to the "urban" resident of the Kodiak Island Borough not residing within the City of Kodiak.

The report is a brief summary of the existing situation in Kodiak, progress that has been made this past year, and recommendations for further action to resolve the problems that still exist before water and sewer services can be provided to residents living outside the City of Kodiak boundary.

Sincerely,

Lee McAnerney
Commissioner

Enclosures

21-P2LH

Report to the Second Session of the Eleventh Legislature Relating to Review of Services Provided to the Residents in the Kodiak Island Borough

Prepared and Submitted Pursuant
to House Concurrent Resolution No. 7AM
by the Department of Community and Regional Affairs

January 18, 1980

Background

As a result of a petition to annex a small area into the City of Kodiak the Local Boundary Commission (LBC) held two public hearings, one on December 12, 1977 and the other on May 20, 1978, to take public testimony on the annexation of a larger area to the City of Kodiak. This area included the Spruce Cape area, the Mill Bay Road area, the Monashka Bay area, and the United States Coast Guard Station. Following the public hearing the LBC recommended to the First Session of the Eleventh Legislature that all of the areas, except the Coast Guard Station, be annexed to the City of Kodiak. The Legislature disapproved this annexation by adoption of House Joint Resolution 10. The Legislature, in House Concurrent Resolution No. 7 amended, requested the Department of Community and Regional Affairs to study the various options to provide "services throughout the road system extending North and Northeast of the City of Kodiak" and to submit a report to the Legislature by January 20, 1980.

Progress to Date

During 1979, the City of Kodiak and the Kodiak Island Borough worked together to devise an acceptable compromise to provide services to the residents of Service District #1 which includes the area proposed by the LBC for annexation. The Department was kept apprised of these negotiations, and it was clear that the City and Borough wished to work its problem out without C&RA involvement.

The negotiations centered around providing water and sewer service to an area referred to as Service District #1, which includes the Island Lake and Spruce Cape areas. The City of Kodiak indicated in writing in December, 1979, that "the City's attitude does not preclude small annexations as requested through the presentation of 100% petitions, but does reject the idea of major annexations". This attitude would also preclude the provision of services by instituting a step annexation. The Local Boundary Commission has also stated that it will not pursue annexation in the City of Kodiak area on its own and will only become involved if petitioned.

The method of providing service through a service district approach appears to have the mutual support of the City and Borough. The City is willing to provide water at the city boundary to Service District #1 and to treat effluence from this area. The City will provide water meters to allow for the billing to the Borough for the residents getting water and sewer service in the area outside the city.

The major concerns that need to be resolved deal with the operation and maintenance of the water and sewer utility service. A rate study needs to be conducted and the City and Borough have not, as of this date, reached an agreement on selection of a consulting firm to do this work. The City has stated that it does not wish to become involved in any contractual arrangement to operate and maintain the water and sewer systems within Service District #1. City Mayor Al Beardsley states that this "maintenance (within Service District #1) can just as easily be contracted (by the Borough) with a private firm". Agreement has been reached to allow the City inspection privileges during

installation of sewer lines to minimize infiltration into the sewer collection system within Service District #1.

Public Meeting

On January 12, 1980 Commissioner Lee McAnerney convened a public meeting for the purpose of receiving public comment regarding the "best" way to provide services to those residents of the Kodiak "urban" community outside the City of Kodiak. The managers of both the City and Borough, the city mayor, seven other assembly or council members, and fourteen public participants were present at the meeting.

Thirteen persons testified during the meeting. The overwhelming majority of those testifying favored the direction that the City and Borough have taken in negotiations between these two local governments. The testimony expressed a feeling that the service district approach gives the residents involved more alternatives in the level of service they will receive.

One person testified in favor of annexation of Service District #1 to the City of Kodiak as the best short-term alternative with unification of the City and Borough being the long-term or ultimate solution.

Future Outlook

This Department is prepared to assist the City of Kodiak and the Kodiak Island Borough in their attempt to work out remaining differences between them. Both the City and Borough should be commended for the progress that has been made to date. There is no reason to think that the remaining

differences cannot be worked out within the next few months.

The question of unification will again appear on the October, 1980 ballot. If this proposition is approved, jurisdictional problems in providing services to Kodiak Island residents would be resolved.

The Department concludes that no further action is required by the Legislature, the Local Boundary Commission or this Department, at this time, in the matter of provision of municipal services to residents living within the Kodiak "urban" area.

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA Monday February 19, 1979

Thirty-sixth Day

Pursuant to adjournment, the House was called to order by Speaker Gardiner at 10:07 a.m.

The roll call showed all members present except Representatives Barnes, Martin, Randolph and Smith who had previously been excused from a call of the House and Representatives Carney and Guy.

The prayer was offered by the Chaplain, Lieutenant Floyd Bacon of the Salvation Army. Mr. Miller moved and asked unanimous consent that the prayer be spread on the journal. There being no objection, it was so ordered, and the prayer appears as follows:

"Heavenly Father;

In these days of confusion, we thank You for Your direction in our lives.

In times of turmoil and unrest, we thank You for the rest You bring to our hearts.

When arguments between men and nations strain relationships to near breaking, we thank You for the peace of Your love to bring us quiet and understanding.

Dear Lord, for these things and for another day in which to serve You, we praise Your Holy Name. We pray thy blessing upon this body. As issues are considered and decisions reached, may Your guidance be evident.

In Jesus' Name we pray.....

Amen."

Mr. Anderson moved and asked unanimous consent that the journals for the 33rd, 34th and 35th days, and House Journal Supplement No. 13, be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE SENATE

A message dated February 16, 1979, was read stating the Senate has approved the following Citation and it is transmitted for consideration:

In Memoriam - Franklin Warren Butte, by Senators Rodey and Ray and Representative Munson.

The Citation was sent to the Rules Committee for placement on the calendar.

REPORTS OF STANDING COMMITTEES

HJR 10 The Community and Regional Affairs Committee has had HOUSE JOINT RESOLUTION NO. 10 (Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak) under consideration and a majority of the committee recommends it do pass. Concurring: Parker (Chairman), Branson, Carney, Parr, Zharoff, O'Connell and Metcalfe.

HJR 10 was referred to the Rules Committee for placement on the calendar.

HB 26 The Finance Committee has had HOUSE BILL NO. 26 (relating to insurance coverage for persons receiving benefits under the public employees' and teachers' retirement systems) under consideration and a majority of the committee recommends it be replaced with State Affairs COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 26 (same title) and that it do pass and attaches a fiscal note. Concurring: Meekins (Chairman), Duncan, McKinnon, Rogers, Schaeffer, Montgomery and Freeman. Not concurring: Smith and Moss have no recommendation.

HB 26 was referred to the Rules Committee for placement on the calendar.

The fiscal note on HB 26 appears in Journal Supplement No. 14.

HB 34 The Finance Committee has had HOUSE BILL NO. 34 (relating to the preparation and distribution of a taxpayers' survey of the budget) under consideration and a majority of the committee recommends it be replaced with State Affairs COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 34:

"An Act relating to the preparation and distribution of a taxpayers' summary of the budget."

and reports it back with individual recommendations and attaches a fiscal note. Duncan, McKinnon, Rogers, Moss and Montgomery recommend it do pass. Meekins (Chairman), Smith, Schaeffer and Freeman have no recommendation. HB 34

HB 34 was referred to the Rules Committee for placement on the calendar.

A fiscal note on HB 34 appears in House Journal Supplement No. 1.

The following State Affairs Committee Chairman's report was submitted on HOUSE BILL NO. 84 (relating to the refund of the unused balance of personal leave upon termination from state employment.): HB 84

Chairman's Report State Affairs

HB 84

During the consideration of this legislation, the Department of Administration indicated that its interpretation of the phrase "or in installments over a period of time" would not mean that an employee has the option of mandating the amounts or installment schedule for the payment of personal leave over a period of time. It would mean instead that, at the option of the employee, the lump sum payment would be waived and instead the employee would receive monthly payments equivalent to his normal pay schedule. The consensus of the committee was that this interpretation would be recognized as consistent with legislative intent regarding this proposed statute.

Rep. Mike Miller, Chairman

The Finance Committee has had HOUSE BILL NO. 93 (supplemental appropriation to the Office of the Governor, for supervisory bargaining unit contract; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Duncan, McKinnon, Smith, Rogers, Schaeffer and Freeman. Not concurring: Meekins (Chairman), Moss and Montgomery have no recommendation. HB 93

HB 93 was referred to the Rules Committee for placement on the calendar.

HB 98 The Health, Education and Social Services Committee has had HOUSE BILL NO. 98 (relating to the administration of questionnaires in public schools; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Buchholdt (Chairman), Chatterton, Hurlbert, Beirne, Miles and Munson.

HB 98 was referred to the Judiciary Committee.

HB 106 The State Affairs Committee has had HOUSE BILL NO. 106 (relating to state employees' leave) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Martin, Metcalfe, Gardiner, Parker and Fuller.

HB 106 was referred to the Finance Committee.

HB 135 The following State Affairs Committee Chairman's report was submitted on HOUSE BILL NO. 135 (special appropriation to the Department of Transportation and Public Facilities for a Naknek River crossing study; effective date):

Chairman's Report State Affairs

CSHB 135

The intent of the State Affairs Committee in amending Sec. 1 was to broaden the scope of the crossing study to include options other than just a bridge as the original bill specified. It was the feeling of the committee that a bridge might be feasible, but that the cost of such a project would be very high for the few people in the area. However, this would not negate the need for crossing the Naknek River from South Naknek to North Naknek. The committee intent was that all feasible methods of crossing the river be considered.

Jack Fuller

Rep. Jack Fuller, Vice Chairman

The Finance Committee has had HOUSE BILL NO. 143 (making supplemental appropriations to the Department of Health, and Social Services, division of public assistance; effective date) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 143 (same title) and that it do pass. Concurring: Meekins (Chairman), McKinnon, Smith, Rogers, Schaeffer, Montgomery, Freeman and Moss. HB 143

HB 143 was referred to the Rules Committee for placement on the calendar.

The Health, Education and Social Services Committee has had HOUSE BILL NO. 152 (making a special appropriation to the residential care facilities revolving loan fund; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Buchholdt (Chairman), Chatterton, Miles, Beirne, Hurlbert and Munson. HB 152

HB 152 was referred to the Finance Committee.

The fiscal note that should have accompanied the Labor & Management Committee's report on HB 189 (elevator safety) has been received and will appear in House Journal Supplement No. 14. HB 189

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HOUSE CONCURRENT RESOLUTION NO. 7 by the Community and Regional Affairs Committee: HCR 7

Relating to an annexation of territory to the City of Kodiak.

was read the first time with the following Community and Regional Affairs Committee report:

The Community and Regional Affairs Committee has had HOUSE CONCURRENT RESOLUTION NO. 7 (relating to an annexation of territory to the City of Kodiak) under consideration and a majority of the committee recommends it do pass. Concurring: Parker (Chairman), Branson, Parr, Zharoff and O'Connell.

HCR 7 was referred to the Rules Committee for placement on the calendar.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE BILLS

HB 241 HOUSE BILL NO. 241 by Gardiner, entitled:

"An Act relating to state bonding."

was read the first time and referred to the Finance Committee.

HB 242 HOUSE BILL NO. 242 by the Rules Committee by Request of the Governor, entitled:

"An Act relating to public employment; and providing for an effective date."

was read the first time and referred to the Labor and Management Committee.

A fiscal note on HB 242 appears in House Journal Supplement No. 14.

The Governor's transmittal letter follows:

February 14, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which amends AS 23.40.070 - 23.40.260, the Public Employment Relations Act (PERA).

Sections 1 and 2 of the bill would alter the current statutory scheme which has established two entirely distinct labor relations agencies (LRA). One LRA, the state personnel board, deals only with the state and state employees. The other LRA, the Department of Labor, deals with all other public employers and public employees subject to the Act. The activities and responsibilities of each LRA are identical, yet they function independently.

HB 242

In order to use state resources more economically, use and maximize special expertise in labor relations matters under the Act, and assure the development and application of consistent procedures and a body of administrative law, it is recommended that there be only one labor relations agency to deal with all public employers and employees subject to the Act. The sole LRA should be the state personnel board since its role and experience under the Act have been much greater to date than that of the Department of Labor which has been called upon to act as an LRA only very infrequently. The bill would make this change, and at the same time make the Department of Labor available to assist the LRA on various matters which, because of lack of manpower, the LRA may be unable to take care of itself, in a timely manner.

Section 3 of the bill changes the definition of "public employee" to exclude department heads, assistant and deputy department heads, division directors, assistant and deputy division directors, and employees (other than secretarial or clerical) who report directly to those positions.

In the context of labor/management matters, the basic problem now is that there is no true "management" in the public sector in Alaska. The current definition of "public employee" encompasses all employees of the state and political subdivisions except elected or appointed officials and teachers and uncertificated employees of school districts. The only persons who currently represent the "public employer" in the executive branch are the governor and his immediate appointees.

This amendment would recognize the reality of employer-employee relationships in the public sector in Alaska by removing some additional employees with management responsibilities from the coverage of the PERA.

Section 4, establishing an effective date, is designed to avoid any conflict with enforceable contracts in effect on July 1, 1979.

Sincerely,

Jay S. Hammond
Governor

HB 243 HOUSE BILL NO. 243 by the Rules Committee by Request of the Governor, entitled:

"An Act relating to teachers' and public employees' retirement; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

A fiscal note on HB 243 appears in House Journal Supplement No. 14

The Governor's transmittal letter follows:

February 16, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill relating to the Teachers' Retirement System, AS 14.25, and the Public Employees' Retirement System, AS 39.35.

The major thrust of the legislation relating to the Teachers' Retirement System is the revision of the definition section to establish a set of terms which may be used uniformly throughout the remainder of the chapter. Presently, several different terms are used to convey one meaning, single terms are used for more than one purpose, and there are no definitions for other terms appearing in the chapter.

In addition to changes in the definitions, certain sections have been consolidated and rearranged to clarify the numerous options available to a teacher seeking benefits under the chapter.

These clarifying amendments are patterned in both format and intent after the amendments to the Public Employees' Retirement System (PERS) enacted by the legislature in 1977.

Some of the amendments to the Teachers' Retirement System, however, go beyond mere housekeeping. One such change is in the definition of the term "actuarial adjustment." This term is used to describe the reduction in benefits stemming from either the nonpayment of an individual's indebtedness to the system or the individual's desire to retire before the normal retirement date. The present law specifies certain actuarial factors to be applied to the calculation of benefits. To maintain a financially sound retirement system and avoid the problems which have plagued similar systems, I believe that our actuary should be given more

flexibility in making actuarial adjustments to take into account increases and decreases in the fund's resources. Another change is the removal of a deadline for claiming and verifying military service. The bill also adds a waiver-of-adjustments statute similar to the one passed last session for the Public Employees' Retirement System. Both of these provisions will include the availability of relief to beneficiaries as well as members. HB 243

The bill also would provide additional benefits in the Teachers' Retirement System, including:

(1) removal of the "55 year old" requirement for receipt of a spouse's pension;

(2) provision of a benefit for a surviving spouse with minor children whose spouse was on deferred vested status;

(3) an increased benefit for the beneficiary of a teacher who dies while receiving a disability benefit;

(4) repurchase of credit in the TRS without re-employment in that system if a person is vested in the PERS.

The amendments to the Public Employees' Retirement System, AS 39.35, are all of a minor nature. The bill would remove the current deadline for claiming and verifying military service within one year of vesting. It would also permit former members to reinstate segments of prior credited service in the Public Employees' Retirement System if they are now vested in the Teachers' Retirement System.

Sincerely,

Jay S. Hammond
Governor

HOUSE BILL NO. 244 by the Rules Committee by Request of the Governor, entitled: HB 244

"An Act relating to the disposal and improvement of state land; authorizing the issuance of revenue bonds to pay the costs of improvements to state land; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

A fiscal note on HB 244 appears in House Journal Supplement No. 14.

HB 244 The Governor's transmittal letter follows:

February 16, 1979

The Honorable Terry Gardine.
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to establish the Alaska Land Improvement Fund to finance and speed the subdivision and sale of state land.

In order to subdivide and sell state land, it is necessary to survey, plat, build access roads, and -- frequently -- install water and sewer systems. The necessity arises from municipal regulation in some instances, state law in others, and the general obligation to protect the public interest in yet others. These improvements cost money -- a lot of money. Upwards of $50 million could be required annually to place the requisite amount of state land on the market.

Our budget is tight and growing tighter. We are not reasonably able to appropriate the amount of money required for a full-scale program for disposing of land. Another source of funding is required. The attached bill provides it.

The bill establishes an Alaska Land Improvement Fund as the mechanism for financing the improvements required by state law, municipal ordinance, or the general public interest. Aside from some seed money and insurance, it is financed entirely from revenue bonds which will be repaid from the proceeds of the land sales. The heart of the bill is contained in the first four pages. The remainder, with one exception, is standard terminology for revenue bond programs, essentially the same as the legislation which set up the Alaska Housing Finance Corporation.

The first section, 38.60.005, contains the legislative findings, setting out the problem and the proposed solution. The next section, 10, sets out the way in which the scope of the annual program will be determined. The program is made public in January to afford both the legislature and the public an ample opportunity to consider it.

The third and fourth sections, 20 and 30, provide for the disposal of land and the improvements to the land. With certain exceptions, the land is sold under the mechanisms prescribed by the Alaska Land Act. The improvements are sold under the provisions of this bill. The former allows for residency credits. The latter does not. Getting full value for the improvements is absolutely essential to the program. HB 244

Section 40 authorizes revenue bonds in the amount of $50 million. This is considered to be the size of an annual program. If the legislature approves the program results, further authorizations can be made in the future. Section 50 sets up the Alaska Land Improvement Fund.

The remainder of the bill is typical for a revenue bond authority, except for proposed AS 38.60.150 and bill section 2. The former enables municipalities to participate in the program where feasible. Whether any satisfactory agreements can be reached will have to be seen, but the opportunity to do so is worth including in the bill. The second exempts land disposed of under this program from the statutory requirement that it be disposed of within 5 weeks from the last day of printed public notice of its disposition. The reason for this is that making the land and improvement contracts mutually contingent necessarily creates delays which could, and probably will, take many of them beyond that deadline.

The bill addresses a big problem. It promises to be a most effective tool in solving that problem. It is virtually fool proof in that only a workable program will attract buyers for the revenue bonds. I urge its swift enactment.

Sincerely,

Jay S. Hammond
Governor

HOUSE BILL NO. 245 by Moss by Request, entitled: HB 245

"An Act relating to recall of municipal officials; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs and Judiciary Committees.

HOUSE BILL NO. 246 by Moss and Metcalfe by Request, entitled: HB 246

"An Act relating to worker's compensation; and providing for an effective date."

was read the first time and referred to the Labor and Management Committee.

HB 247 HOUSE BILL NO. 247 by Rogers, entitled:

"An Act levying a tax on gas reserves in the state; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

HB 248 HOUSE BILL NO. 248 by the State Affairs Committee, entitled:

"An Act relating to the merger of electric and telephone utilities; and providing for an effective date."

was read the first time and referred to the State Affairs Committee.

HB 249 HOUSE BILL NO. 249 by Eliason, entitled:

"An Act relating to the membership of the Alaska Pioneers' Home Advisory Board."

was read the first time and referred to the State Affairs Committee.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE BILLS

HB 3 HOUSE BILL NO. 3 (relating to the restoration of the right to vote) was read the second time with the Judiciary Committee report (page 286 of the journal).

CS HB 3 Mr. Anderson moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3 (relating to the loss and restoration of voting rights) be adopted in lieu of HB 3. There being no objection, it was so ordered.

Mr. Anderson moved and asked unanimous consent that CSHB 3 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

CSHB 3 was read the third time.

The question being: "Shall CSHB 3 pass the House?" The roll call was taken with the following result: CS HB 3

Yeas:	33	Anderson, Beirne, Bettisworth, Branson, Brown, Buchholdt, Chatterton, Cotten, Duncan, Eliason, Freeman, Fuller, Gardiner, Halford, Haugen, Hayes Hurlbert, McKinnon, Malone, Meekins, Metcalfe, Miles, Miller, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Schaeffer, Zharoff.
Nays:	1	Montgomery.
Excused:	4	Barnes, Martin, Randolph, Smith.
Absent:	2	Carney, Guy.

And so, CSHB 3 passed the House.

CSHB 3 was referred to the Chief Clerk for engrossment.

Mr. Anderson moved and asked unanimous consent that HOUSE BILL NO. 61 (creating the Toklat River critical habitat area) be returned to the Rules Committee. There being no objection, it was so ordered. HB 61

HOUSE BILL NO. 81 (relating to trapping license receipts; effective date) was read the second time with the Resources Committee report (page 275 of the journal). HB 81

Mr. Anderson moved and asked unanimous consent that HB 81 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

HB 81 was read the third time.

Mr. Anderson moved and asked unanimous consent that HB 81 be taken from today's calendar and referred to the Finance Committee. There being no objection, it was so ordered. HB 81 was referred to the Finance Committee.

HB 131 HOUSE BILL NO. 131 (relating to location of Pioneers' Homes) was read the second time with the Health, Education and Social Services Committee report (page 275 of the journal)

CS HB 131 Mr. Anderson moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 131 (relating to Pioneers' Homes) be adopted in lieu of the bill. There being no objection, it was so ordered.

Mr. Anderson moved and asked unanimous consent that CSHB 131 be considered engrossed, advanced to third reading and placed on final passage.

Mr. Meekins objected.

Mr. Meekins withdrew his objection.

There being no further objection, CSHB 131 was considered engrossed, advanced to third reading and placed on final passage.

CSHB 131 was read the third time.

The question being: "Shall CSHB 131 pass the House?" The roll call was taken with the following result:

Yeas:	32	Anderson, Beirne, Bettisworth, Brunson, Brown, Buchholdt, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Halford, Haugen, Hayes, Hurlbert, McKinnon, Meekins, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Schaeffer, Zharoff.
Nays:	0	
Excused:	4	Barnes, Martin, Randolph, Smith.
Absent:	4	Carney, Eliason, Guy, Malone.

And so, CSHB 131 passed the House.

CSHB 131 was referred to the Chief Clerk for engrossment.

SECOND READING OF HOUSE RESOLUTIONS

HJR 12 HOUSE JOINT RESOLUTION NO. 12 (relating to the tax exemption granted to federal employees in Alaska and in other locations outside the contiguous 48 states) was read the second time with the State Affairs Committee report (page 105 of the journal).

Mr. Anderson moved and asked unanimous consent that HJR 12 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered. HJR 12

HJR 12 was read the third time.

The question being: "Shall HJR 12 pass the House?" The roll was taken with the following result:

Yeas:	32	Anderson, Beirne, Bettisworth, Branson, Brown, Buchholdt, Cotten, Duncan, Freeman, Fuller, Gardiner, Halford, Haugen, Hayes, Hurlbert, McKinnon, Malone, Meekins, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Schaeffer, Zharoff.
Nays:	1	Chatterton.
Excused:	4	Barnes, Martin, Randolph, Smith.
Absent:	3	Carney, Guy, Eliason.

And so, HJR 12 passed the House.

HJR 12 was referred to the Chief Clerk for engrossment.

UNFINISHED BUSINESS

Mr. Hayes moved and asked unanimous consent that Representative Eliason be excused from a call of the House February 20 through February 23. There being no objection, it was so ordered.

The Speaker announced the appointment of Representative Buchholdt to the Education Commission of the States.

ENGROSSMENT

The following were engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration:

HJR 12	HJR 12
CSHB 3	CSHB 3
CSHB 131	CSHB 131

ANNOUNCEMENTS

Finance Natural Resources Budget	Capitol 411	11:30 a.m., 2/19
HESS HB 79	Capitol 112	1:00 p.m., 2/19
Commerce HB 24,149 Teleconference w/Ketchikan-Sitka	Assembly 207	1:15 p.m., 2/19
Sunset review - Alaska State Medical Board		8:00 a.m., 2/20 1:15 p.m., 2/20
State Affairs HB 124,190,191,197	Capitol 123-A	1:15 p.m., 2/19
Judiciary HB 75	Capitol 124	3:00 p.m., 2/19
Advance Notice: HB 75 to be teleconferenced with Ketchikan	Capitol 124	7:00 p.m., 2/20
Resources HCR 3, SJR 5, HB 114	Capitol 118	3:00 p.m., 2/19
Special Subsistence Committee HB 199	Capitol 118	5:00 p.m., 2/19
Labor & Management HB 178,177	Court 648	8:30 a.m., 2/20

ADJOURNMENT

Mr. Anderson moved and asked unanimous consent that the House adjourn until 10:00 a.m., February 20, 1979. There being no objection, the House adjourned at 11:20 a.m.

Irene Cashen
Chief Clerk

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA Monday March 5, 1979

Fiftieth Day

Pursuant to adjournment, the House was called to order at 10:05 a.m. by Speaker Gardiner.

The roll call showed all members present except Representatives Buchholdt, McKinnon and Randolph.

Representatives McKinnon and Randolph had been previously excused from a call of the House.

Mr. Anderson moved and asked unanimous consent that Representative Buchholdt be excused from a call of the House on March 5 and 6. There being no objection, it was so ordered.

The prayer was offered by the Chaplain, Pastor John Tindell of the Northern Light United Church.

Mr. Anderson moved and asked unanimous consent that the journal for the 47th, 48th and 49th days and House Journal Supplement No. 20 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE GOVERNOR

A message dated March 5, 1979 was read stating that the Governor has read the following resolution and has transmitted the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 7am HCR
(relating to an annexation of territory 7am
to the City of Kodiak)
Legislative Resolve No. 4

HJR 10 A message dated March 5, 1979 was read stating that the Governor has signed the following resolution and has transmitted the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:

HOUSE JOINT RESOLUTION NO. 10
(relating to Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak)
Legislative Resolve No. 3

MESSAGES FROM THE SENATE

A message dated March 2, 1979 was read stating that the Senate has approved the following citations and they are returned:

In Memoriam - James Estelle

Congratulating Sitka High School Drill Team

The above citations were referred to the Chief Clerk for enrollment.

A message dated March 2, 1979 was read stating that the Senate has approved the following citations and they are transmitted for consideration:

Congratulating Kwethluk Cheerleaders

In Memoriam - Merrice Murphy

Commending Anchorage Chamber of Commerce and Alaska Federation of Women's Clubs

The above citations were referred to the Rules Committee for placement on the calendar.

REPORTS OF STANDING COMMITTEES

HR 1 The Resources Committee has had HOUSE RESOLUTION NO. 1 (relating to land allocation in the Tongass National Forest) under consideration and a majority of the committee recommends it do pass. Concurring: Osterback (Co-Chairman), Chatterton, Cotten, Carney, Fuller and Zharoff. Not concurring: Miles (Co-Chairman) has no recommendation.

HR 1 was referred to the Rules Committee for placement on the calendar. HR 1

The Finance Committee has had HOUSE CONCURRENT RESOLUTION NO. 5 (urging the Judicial Council to complete its review and make recommendations in the matter of judicial sentencing practices) under consideration and a majority of the committee recommends it do pass. Concurring: Meekins (Chairman), Freeman, Montgomery, Haugen, Schaeffer, Moss, Rogers and McKinnon. HCR 5

HCR 5 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had HOUSE BILL NO. 81 (relating to trapping license receipts; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Duncan, Rogers, Moss, Freeman, Haugen and Montgomery. Not concurring: Meekins (Chairman), McKinnon and Schaeffer have no recommendation. HB 81

HB 81 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had HOUSE BILL NO. 119 (making a special appropriation to the Department of Fish and Game for the implementation of a game management plan for bison in Delta Junction; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Meekins (Chairman), Freeman, Montgomery, Haugen, Rogers, Moss, McKinnon and Schaeffer. HB 119

HB 119 was referred to the Rules Committee for placement on the calendar.

The State Affairs Committee has had HOUSE BILL NO. 161 (making a special appropriation to the Department of Transportation and Public Facilities for the construction of a "Tustemena" class ferry; effective date) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 161: HB 161

> "An Act making a special appropriation to the Department of Transportation and Public Facilities to acquire for the Marine Highway System two ferries for service in the Alaska Peninsula and Aleutian Islands; and providing for an effective date "

HB 161 and that it do pass. Concurring: Miller (Chairman), Gardiner, Parker and Fuller. Not concurring: Eliason and Metcalfe have no recommendation.

HB 161 was referred to the Finance Committee.

HB 177 The Finance Committee has had HOUSE BILL NO. 177 (relating to unemployment insurance; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Meekins (Chairman), Freeman, Montgomery, Haugen, Rogers, Moss, McKinnon and Schaeffer.

HB 177 was referred to the Rules Committee for placement on the calendar.

HB 179 The Health, Education and Social Services Committee has had HOUSE BILL NO. 179 (relating to the Alaska Medical Facility Authority; effective date) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 179 (same title) and reports it back with individual recommendations. Munson (Vice Chairman), Barnes and Beirne recommend do pass. Chatterton and Miles have no recommendation.

HB 179 was referred to the Rules Committee for placement on the calendar.

HB 195 The Finance Committee has had HOUSE BILL NO. 195 (providing for an advisory committee on judicial sentencing practices; effective date) under consideration and a majority of the committee recommends it do pass with:

Amendment No. 2 by the Finance Committee

Page 2, line 29:

Delete "March 1, 1980"
Insert "February 1, 1980"

Page 3, line 2:

Delete "March 31, 1980"
Insert "February 29, 1980"

Concurring: Meekins (Chairman), Freeman, Montgomery, Haugen, Schaeffer, Moss, Rogers and McKinnon.

HB 195 was referred to the Rules Committee for placement on the calendar.

The Finance Committee has had HOUSE BILL NO. 196 (making a special appropriation to the Judicial Council; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Meekins (Chairman), Freeman, Schaeffer, Moss, Rogers, McKinnon and Duncan. Not concurring: Montgomery and Haugen have no recommendation. HB 196

HB 196 was referred to the Rules Committee for placement on the calendar.

The State Affairs Committee has had HOUSE BILL NO. 207 (relating to transportation of employees) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Eliason, Metcalfe, Gardiner, Parker, Martin and Fuller. HB 207

HB 207 was referred to the Rules Committee for placement on the calendar.

The Resources Committee has had HOUSE BILL NO. 232 (relating to the leasing and exploration of state land for oil and gas development; effective date) under consideration and a majority of the committee recommends it do pass: Concurring: Miles (Co-Chairman), Osterback (Co-Chairman), Chatterton, Zharoff and Fuller. Not concurring: Cotten and Carney have no recommendation. HB 232

HB 232 was referred to the Rules Committee for placement on the calendar.

The Health, Education and Social Services Committee has had HOUSE BILL NO. 233 (supplemental appropriation to the University of Alaska for laboratory equipment on the Anchorage campus; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Munson (Vice Chairman), Barnes, Miles, Beirne and Chatterton. HB 233

HB 233 was referred to the Finance Committee.

The Resources Committee has had HOUSE BILL NO. 237 (supplemental appropriation to the Department of Natural Resources for the Iditarod Trail Race; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Miles (Co-Chairman), Osterback (Co-Chairman), Chatterton, Cotten, Fuller, Zharoff and Carney. HB 237

HB 237 was referred to the Finance Committee.

HB 239 The Finance Committee has had HOUSE BILL NO. 239 (special appropriation to the Legislative Affairs Agency for a gas liquids line feasibility study and an instate royalty gas and gas liquids line feasibility study; effective date) under consideration and a majority of the committee recommends it be replaced with the Resources COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 239 (same title) and that it do pass. Concurring: Meekins (Chairman), Freeman, Montgomery, Haugen, Schaeffer, Moss, Rogers, Duncan and McKinnon.

HB 239 was referred to the Rules Committee for placement on the calendar.

HB 261 The Judiciary Committee has had HOUSE BILL NO. 261 (supplemental appropriation to the Department of Law for a training program on the revised criminal code; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Parr (Chairman), Phillips, Martin, Anderson and Malone. Not concurring: Barnes recommends do pass if amended.

HB 261 was referred to the Finance Committee.

HB 262 The Judiciary Committee has had HOUSE BILL NO. 262 (special appropriation to the Department of Law for a training program on the revised criminal code; effective date) under consideration and a majority of the committee recommends it do pass with:

Amendment No. 1 by the Judiciary Committee

Page 1, line 10: Delete "$85,635" and insert "$126,235"

Concurring: Parr (Chairman), Phillips, Martin, Anderson, Barnes and Malone.

HB 262 was referred to the Finance Committee.

The Judiciary Committee's letter of intent for HB 262 appears as follows:

March 2, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

It is the intent of the House Judiciary Committee that under House Bill 262 first priority be given to the training of police officers and village magistrates, second priority to the training of district attorneys and public defenders. Training of judges and members of the private bar has the lowest priority. HB 262

The C recommends that the Finance Committee seek tes[illegible] the office of the Public Defender.

Sincerely,

Charles H. Parr
Chairman

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HOUSE JOINT RESOLUTION NO. 26 by Munson, Branson and Martin: HJR 26

> Proposing an amendment to the Constitution of the State of Alaska providing for biennial budgeting for operating expenditures.

was read the first time and referred to the Finance and Judiciary Committees.

HOUSE JOINT RESOLUTION NO. 27 by Malone, Halford, Martin, O'Connell, Osterback and Rogers: HJR 27

> Requesting the exclusion of Alaska from federal gun control legislation.

was read the first time and referred to the Resources Committee.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE BILLS

HOUSE BILL NO. 332 by Carney, entitled: HB 332

> "An Act making a special appropriation to the Department of Community and Regional Affairs for grants to the cities of Palmer and Wasilla; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs Committee and the Finance Committee.

HB 333 HOUSE BILL NO. 333 by Schaeffer, entitled:

"An Act relating to the public school foundation program; to educational assessments of children; to correspondence study; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services and Finance Committees.

HB 334 HOUSE BILL NO. 334 by Hayes, entitled:

"An Act relating to the foreclosure of encumbrances on real property."

was read the first time and referred to the Commerce and Judiciary Committees.

HB 335 HOUSE BILL NO. 335 by Fuller, entitled:

"An Act making a special appropriation to the Department of Fish and Game for a hatchery feasibility study on the Seward Peninsula; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

HB 336 HOUSE BILL NO. 336 by Fuller, entitled:

"An Act making a special appropriation to the Alaska Commercial Fisheries Entry Commission for a study of limited entry on the Seward Peninsula; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

HB 337 HOUSE BILL NO. 337 by Fuller, entitled:

"An Act making a special appropriation to the Department of Education to reimburse Kawerak, Inc. for utility payments to the Nome Public Schools; and providing for an effective date."

was read the first time and referred to the Finance Committee.

HB 338 HOUSE BILL NO. 338 by the Special Subsistence Committee, entitled:

"An Act making a special appropriation to the University of Alaska for walrus and whale management and research; and providing for an effective date."

was read the first time and referred to the Special Subsis- HB
tence Committee and the Resources and Finance Committees. 338

HOUSE BILL NO. 339 by the Rules Committee by request of HB
the Governor, entitled: 339

"An Act making a supplemental appropriation to the Department of Health and Social Services, Division of Social Services; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services and Finance Committees.

The Governor's transmittal letter follows:

March 5, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill making a supplemental appropriation to the Department of Health and Social Services, Division of Social Services, for the purpose of replacing a shortfall in federal dollars during FY 78 in the program services BRU of that division.

Sincerely,

Jay S. Hammond
Governor

HOUSE BILL NO. 340 by Gardiner, entitled: HB
340

"An Act relating to fisheries business licenses."

was read the first time and referred to the Resources Committee.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE RESOLUTIONS

HJR 21 HOUSE JOINT RESOLUTION NO. 21 (relating to the Northwest Alaskan Pipeline Company) was read the second time with the Resources Committee report (page 426 of the journal).

CS HJR 21 Mr. Anderson moved and asked unanimous consent that the COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 21 (same title) be adopted in lieu of HJR 21. There being no objection, it was so ordered.

Mr. Anderson moved and asked unanimous consent that CSHJR 21 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

CSHJR 21 was read the third time.

The question being: "Shall CSHJR 21 pass the House?" The roll was taken with the following result:

Yeas:	35	Anderson, Beirne, Bettisworth, Branson, Brown, Carney, Chatterton, Cotten, Duncan, Eliason, Freeman, Fuller, Gardiner, Guy, Halford Haugen, Hayes, Hurlbert, Malone, Martin, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Rogers, Schaeffer, Smith, Zharoff.
Nays:	2	Barnes, Meekins.
Excused:	3	Buchholdt, McKinnon, Randolph.

And so, CSHJR 21 passed the House.

Mr. Malone gave notice of reconsideration of his vote on CSHJR 21 and moved and asked unanimous consent that reconsideration be brought up at this time.

Mr. Freeman objected. Mr. Freeman withdrew his objection. There being no further objection, Mr. Malone's reconsideration was brought up at this time.

THIRD READING OF HOUSE RESOLUTIONS

CS HJR 21 CSHJR 21 was automatically before the House in third reading at this time and was read the third time.

The question to be reconsidered is: "Shall CSHJR 21 pass the House?" The roll was taken with the following result: CS HJR 21

Yeas:	31	Anderson, Beirne, Bettisworth, Branson, Brown, Carney, Chatterton, Cotten, Duncan, Eliason, Fuller, Gardiner, Guy, Halford, Haugen, Hayes, Hurlbert, Martin, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Smith, Zharoff.
Nays:	5	Barnes, Freeman, Malone, Meekins, Rogers.
Excused:	3	Buchholdt, McKinnon, Randolph.
Absent:	1	Schaeffer.

And so, CSHJR 21 passed the House on reconsideration of the vote.

CSHJR 21 was referred to the Chief Clerk for engrossment.

LEGISLATIVE CITATIONS

Representative Duncan moved and asked unanimous consent that Representative Miller be added as a co-sponsor on the Citation in memory of Harvey Summers. There being no objection it was so ordered.

Representative Duncan moved and asked unanimous consent that the House approve the Citation in memory of Harvey Summers and that it be read in its entirety. There being no objection, it was so ordered.

The Citation was referred to the Chief Clerk for transmittal to the Senate.

Representative Brown moved and asked unanimous consent that all members of the House be shown as sponsors on the Citation in memory of Grant H. Pearson. There being no objection, it was so ordered.

Representative Brown moved and asked unanimous consent that the House approve the Citation in memory of Grant H. Pearson. There being no objection, it was so ordered.

The Citation was referred to the Chief Clerk for transmittal to the Senate.

UNFINISHED BUSINESS

Mr. Anderson moved and asked unanimous consent that Representative Meekins be excused from a call of the House on March 12. There being no objection, it was so ordered.

ENGROSSMENT

The following was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration:

CSHJR 21 CSHJR 21

ANNOUNCEMENTS

HESS HB 255,121,200	Capitol 112	1:00 p.m., 3/5
Finance Health & Social Services Budget	Capitol 411	1:30 p.m., 3/5
State Affairs Confirmation Hearing: DOTPF Commissioner Bob Ward; HB 267	Capitol 123-A	1:30 p.m., 3/5
Judiciary HJR 22 Teleconference: w/ Juneau w/ Anchorage w/ Fairbanks	Capitol 124	3:00 p.m., 3/5 3:30 p.m., 3/5 4:45 p.m., 3/5
Resources SB 63,SJR 6 SSHB 33	Capitol 118	3:00 p.m., 3/5 7:00 p.m., 3/5
Teleconference on Susitna Hydro-electric	Assembly 207	3:00 p.m., 3/7
FCC on SCS CSHB 94(Fin) & CSHB 94am	Capitol 411	4:30 p.m., 3/5
Commerce No meeting this afternoon or tomorrow a.m.		3/5 3/6

Labor & Management HB 316,214	Court 628	8:30 a.m., 3/6
Joint Session w/Chief Justice Rabinowitz, State of Judiciary Message	House Chamber	11:00 a.m., 2/6
Special Permanent Fund Committee Permanent Fund Projections	Court 628	4:30 p.m., 2/6

ADJOURNMENT

Mr. Anderson moved and asked unanimous consent that the House adjourn until 10:00 a.m., March 6, 1979. There being no objection, the House adjourned at 11:00 a.m.

Irene Cashen
Chief Clerk

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA Tuesday February 20, 1979

Thirty-seventh Day

Pursuant to adjournment, the House was called to order by Speaker Gardiner at 10:11 a.m.

The roll call showed all members present except Representatives Eliason and Smith.

Representatives Eliason and Smith had previously been excused from a call of the House.

The prayer was offered by the Chaplain, Lieutenant Floyd Bacon of the Salvation Army.

Mr. Anderson moved and asked unanimous consent that the journal for the 36th day and House Journal Supplement No. 14 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

REPORTS OF STANDING COMMITTEES

The Resources Committee has had HOUSE CONCURRENT RESOLUTION NO. 3 (relating to enforcement of the Antiquities Act) under consideration and a majority of the committee recommends it do pass. Concurring: Miles (Co-Chairman), Osterback (Co-Chairman), Carney, Cotten, Fuller, Zharofi and Halford. Not concurring: Chatterton recommends do not pass. HCR 3

HCR 3 was referred to the Rules Committee for placement on the calendar.

The Judiciary Committee has had HOUSE BILL NO. 47 (relating to the sale of alcoholic beverages; effective date) with amendments (page 211 of the journal) under consideration a second time and a majority of the committee recommends HB 47

HB 47 it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 47 (same title) and that it do pass. Concurring: Parr (Chairman), Phillips, Buchholdt, Anderson and Malone. Not concurring: O'Connell, Martin and Barnes recommend do pass if amended.

HB 47 was referred to the Rules Committee for placement on the calendar.

HB 84 The State Affairs Committee has had HOUSE BILL NO. 84 (relating to the refund of the unused balance of personal leave upon termination from state employment) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Martin, Metcalfe, Parker, Fuller and Gardiner.

The Chairman's report on HB 84 was received and printed on page 305 of the journal.

HB 84 was referred to the Finance Committee.

HB 85 The Judiciary Committee has had HOUSE BILL NO. 85 (relating to bar examination review procedures; and amending Alaska Bar Rule 7, Section 1) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 85 (same title) and that it do pass. Concurring: Parr (Chairman), Phillips, Martin, Buchholdt, O'Connell, Barnes, Anderson and Malone.

HB 85 was referred to the Rules Committee for placement on the calendar.

HB 124 The State Affairs Committee has had HOUSE BILL NO. 124 (making a special appropriation to the Department of Transportation and Public Facilities to remodel the ferry terminal at Kake to accommodate mainline ferries; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Fuller, Martin, Gardiner and Parker. Not concurring: Metcalfe has no recommendation.

HB 124 was referred to the Finance Committee.

HB 190 The State Affairs Committee has had HOUSE BILL NO. 190 (making a special appropriation to the City of Nome; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Martin, Fuller, Gardiner and Parker. Not concurring: Metcalfe has no recommendation.

HB 190 was referred to the Finance Committee.

The State Affairs Committee has had HOUSE BILL NO. 191 (making a special appropriation to the Department of Transportation and Public Facilities for the Nome-Beltz Road; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Martin, Gardiner, Parker and Fuller. Not concurring: Metcalfe has no recommendation. HB 191

HB 191 was referred to the Finance Committee.

The State Affairs Committee has had HOUSE BILL NO. 197 (making a special appropriation to the Department of Transportation and Public Facilities to repay the City of Kodiak for the costs incurred in rebuilding the Monashka dam; effective date) under consideration and a majority of the committee recommends it do pass. Concurring: Miller (Chairman), Gardiner, Parker and Fuller. Not concurring: Martin and Metcalfe have no recommendation. HB 197

HB 197 was referred to the Finance Committee.

REPORTS OF SPECIAL COMMITTEES

The Special Subsistence Committee has had HOUSE BILL NO. 199 (establishing a division of subsistence hunting and fishing) under consideration and a majority of the committee recommends it do pass. Concurring: Fuller (Chairman), Zharoff, Hayes and Anderson. Not concurring: Halford recommends do not pass. HB 199

HB 199 was referred to the Resources Committee.

The Free Conference Committee which has had SENATE JOINT RESOLUTION NO. 13 amended (encouraging the Alaska Congressional delegation to work together to resolve the problems created by the President's imposition of the Antiquities Act on lands in Alaska) and HOUSE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 amended House (enunciating the position of the Alaska State Legislature with respect to national interest lands in Alaska) under consideration, recommends that HCS SJR 13amH

FREE CONFERENCE COMMITTEE SUBSTITUTE
FOR SENATE JOINT RESOLUTION NO. 13
(enunciating the position of the
Alaska State Legislature with respect
to national interest lands in Alaska)

be adopted.

The report was signed by Senators Tillion (Chairman) and Ziegler; Senator Rodey signed do not concur; and by Representatives Miles (Chairman), Fuller and Hayes.

HCS SJR 13amH The Free Conference Committee Report on SJR 13 am and HCS SJR 13amH will be taken up under Unfinished Business.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HJR 22 HOUSE JOINT RESOLUTION NO. 22 by Anderson by Request:

Requesting the federal grand jury to hear charges and complaints against the Secretary of the Interior and other Interior Department officials.

was read the first time and referred to the Judiciary Committee.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE BILLS

SSHB 30 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 30 by Gardiner, entitled:

"An Act relating to the Commercial Fishing and Agriculture Bank."

was read the first time and referred to the Resources and Judiciary Committees.

HB 250 HOUSE BILL NO. 250 by McKinnon, entitled:

"An Act removing the exemption of banks and financial institutions from the state antitrust law."

was read the first time and referred to the Judiciary Committee.

HB 251 HOUSE BILL NO. 251 by McKinnon, entitled:

"An Act relating to the Alaska essential property insurance inspection and placement program; and providing for an effective date."

was read the first time and referred to the Judiciary Committee.

HOUSE BILL NO. 252 by Parker, entitled: HB 252

"An Act relating to the qualifications and selection of jurors."

was read the first time and referred to the Judiciary Committee.

HOUSE BILL NO. 253 by O'Connell, entitled: HB 253

"An Act permitting practicing pharmacists to claim exemption from jury service."

was read the first time and referred to the Judiciary Committee.

HOUSE BILL NO. 254 by Fuller, entitled: HB 254

"An Act relating to Alaska National Guard retirement; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

HOUSE BILL NO. 255 by Rogers, Beirne, Bettisworth, Buchholdt, Duncan, Freeman, Fuller, Gardiner, Haugen, McKinnon, Malone, Meekins, Metcalfe, Miller, Moss, Parker, Randolph and Zharoff, entitled: HB 255

"An Act relating to the sale of food from self-service bins."

was read the first time and referred to the Health, Education and Social Services Committee.

HOUSE BILL NO. 256 by the Rules Committee by Request of the Governor, entitled: HB 256

"An Act relating to the transporter law; and providing for an effective date."

was read the first time and referred to the Resources Committee.

There is a zero fiscal note on HB 256.

The Governor's transmittal letter follows:

February 20, 1979

HB 256
The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the provisions of art. III, sec. 18 of the Alaska Constitution, I am forwarding a bill to amend certain portions of chapter 106, SLA 1976, the transporter law. My amendment is directed at removing the requirement for guides, air taxi operators and other transporters to furnish a report to the Department of Fish and Game and the Department of Public Safety giving details of persons and game transported.

It has become apparent that the reporting requirement does not serve the purpose that was intended when the measure was enacted and, therefore, it is advisable to remove an unnecessary administrative burden from those affected.

Sincerely,

Jay S. Hammond
Governor

HB 257 HOUSE BILL NO. 257 by Miles, entitled:

"An Act relating to mo-peds."

was read the first time and referred to the State Affairs and Judiciary Committees.

HB 258 HOUSE BILL NO. 258 by the Resources Committee by Request, entitled:

"An Act repealing the restriction of grounds upon which a mobile home park operator may evict a mobile home park dweller."

was read the first time and referred to the Commerce and Judiciary Committees.

HOUSE BILL NO. 259 by Osterback, entitled: HB 259

"An Act relating to permissible gear for taking scallops."

was read the first time and referred to the Resources Committee.

HOUSE BILL NO. 260 by Duncan, Cotten, Malone, Meekins, Miller, Parker, Rogers and Gardiner, entitled: HB 260

"An Act relating to the participation of legislators in state retirement systems; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services Committee.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE BILLS

Mr. Anderson moved and asked unanimous consent that HOUSE BILL NO. 55 (relating to an employee suggestion award system; effective date) be taken from today's calendar and returned to the Rules Committee. There being no objection, it was so ordered. HB 55

HOUSE BILL NO. 102 (relating to rights in works of fine art) was read the second time with the State Affairs Committee report (page 203 of the journal). HB 102

Mr. Anderson moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 102 (same title) be adopted in lieu of HB 102. There being no objection, it was so ordered. CS HB 102

Mr. Anderson moved and asked unanimous consent that CSHB 102 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

CSHB 102 was read the third time.

CS HB 102 The question being: "Shall CSHB 102 pass the House?" The roll call was taken with the following result:

Yeas: 38 Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Buchholdt, Carney, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Guy, Halford Haugen, Hayes, Hurlbert, McKinnon, Malone, Martin, Meekins, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Schaeffer, Zharoff.

Nays: 0

Excused: 2 Eliason, Smith.

And so, CSHB 102 passed the House.

CSHB 102 was referred to the Chief Clerk for engrossment.

SECOND READING OF HOUSE RESOLUTIONS

HCR 7 Mr. Anderson moved and asked unanimous consent that HCR 7 (relating to an annexation of territory to the City of Kodiak) be moved to the bottom of today's calendar. There being no objection, it was so ordered.

HJR 10 HOUSE JOINT RESOLUTION NO. 10 (relating to Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak) was read the second time with the Community and Regional Affairs Committee report (page 304 of the journal).

Mr. Anderson moved and asked unanimous consent that HJR 10 be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

HJR 10 was read the third time.

The question being: "Shall HJR 10 pass the House?" The roll was taken with the following result:

Yeas: 38 Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Buchholdt, Carney, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Guy, Halford, Haugen, Hayes, Hurlbert, McKinnon, Malone, Martin, Meekins, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Schaeffer, Zharoff.

Nays: 0

Excused: 2 Eliason, Smith.

File of Kodiak annex

And so, HJR 10 passed the House. HJR 10

HJR 10 was referred to the Chief Clerk for engrossment.

HOUSE CONCURRENT RESOLUTION NO. 7 (relating to an annexation of territory to the City of Kodiak) was read the second time with the Community and Regional Affairs Committee report (page 307 of the journal). HCR 7

Amendment No. 1 by Parker:

Page 1, line 21: after "adequate"
insert "municipal services"

Mr. Parker moved and asked unanimous consent that Amendment No. 1 be adopted. There being no objection, Amendment No. 1 was adopted. HCR 7am

The question being: "Shall HCR 7am pass the House?" On voice vote, HCR 7am passed the House unanimously.

HCR 7am was referred to the Chief Clerk for engrossment.

UNFINISHED BUSINESS

The Free Conference Committee report on SJR 13am and HCS SJR 13amH (p. 321 of the journal) was before the House. HCS SJR 13amH

Mr. Anderson moved that the FCC report on the above resolutions be adopted.

The question being: "Shall the FCC report on the above resolutions be adopted?" The roll was taken with the following result:

Yeas:	36	Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Buchholdt, Carney, Chatterton, Cotten, Duncan, Freeman, Fuller, Gardiner, Guy, Halford, Hayes, Hurlbert, McKinnon, Malone, Martin, Meekins, Metcalfe, Miles, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Schaeffer, Zharoff.
Nays:	1	Miller.
Excused:	2	Eliason, Smith.
Absent:	1	Haugen.

And so, the House adopted the report, thus adopting FCCS SJR 13 (enunciating the position of the Alaska State Legislature with respect to national interest lands in Alaska). FCCS SJR 13

The Chief Clerk was instructed to so notify the Senate.

The Speaker announced the receipt of the following Sunset Audit Report from the Division of Legislative Audit:

A Performance Review of the Alcoholic Beverage Control Board dated November 3, 1978.

The above report was referred to the Commerce Committee.

HB 242 The Speaker announced that HOUSE BILL NO. 242 (relating to public employment; effective date) will have a further referral to the State Affairs Committee.

ENGROSSMENT

The following were engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration:

HCR 7am HCR 7 amended

HJR 10 HJR 10

CSHB 102 CSHB 102

ANNOUNCEMENTS

HESS		
HB 226,228	Capitol 112	1:00 p.m., 2/20
Commerce		
Sunset review - Alaska State Medical Board	Assembly 207	1:15 p.m., 2/20
Board of Pharmacy - Sunset review		8:00 a.m., 2/21
Board of Examiners in Optometry - Sunset review, to be teleconferenced w/Anchorage,Fairbanks		1:15 p.m., 2/21

Finance Fish & Game Budget	Capitol 411	1:30 p.m., 2/20
Judiciary HB 75	Capitol 124	3:00 p.m., 2/20
HB 75 - Teleconference w/Ketchikan		7:00 p.m., 2/20
Resources HB 49,229,159	Capitol 118	3:00 p.m., 2/20
C&RA Revenue-sharing Budget	Court 628	8:30 a.m., 2/21
OGIG Delegation Luncheon	Baranof	Noon, 2/20

ADJOURNMENT

Mr. Anderson moved and asked unanimous consent that the House adjourn until 10:00 a.m., February 21, 1979. There being no objection, the House adjourned at 11:20 a.m.

Irene Cashen
Chief Clerk

SENATE JOURNAL

ALASKA STATE LEGISLATURE

ELEVENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA Wednesday February 21, 1979

Thirty-eighth Day

Pursuant to adjournment, the Senate was called to order by President Tillion at 10:05 a.m.

The roll call showed seventeen members present. Senators Mulcahy, Stimson and Sumner were excused from a call of the Senate.

The prayer was offered by the Chaplain, Reverend Curtis McClain of the Glacier Valley Baptist Church.

Senator Colletta moved and asked unanimous consent that the journal for the thirty-seventh legislative day be approved as certified. Without objection, it was so ordered.

MESSAGES FROM THE HOUSE

Message of February 20 was read stating the House has adopted the report of the Free Conference Committee which has had SENATE JOINT RESOLUTION NO. 13 amended (encouraging the Alaska Congressional delegation to work together to resolve the problems created by the President's imposition of the Antiquities Act on lands in Alaska) and HOUSE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 amended House (enunciating the position of the Alaska State Legislature with respect to national interest lands in Alaska), thus adopting: FCCS SJR 13

FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 (enunciating the position of the Alaska State Legislature with respect to national interest lands in Alaska).

FCCS SJR 13 The Senate adopted the Free Conference Committee report on February 20.

FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 13 was referred to the Secretary for engrossment and enrollment.

Message of February 20 was read stating the House has passed the following:

INTRODUCTION AND REFERENCE OF HOUSE RESOLUTIONS

HCR 7 am HOUSE CONCURRENT RESOLUTION NO. 7 amended, by the Community and Regional Affairs Committee,

Relating to an annexation of territory to the City of Kodiak,

was read the first time and referred to the Community and Regional Affairs Committee.

HJR 10 HOUSE JOINT RESOLUTION NO. 10 by Representative Zharoff,

Relating to Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak,

was read the first time and referred to the Community and Regional Affairs Committee.

INTRODUCTION AND REFERENCE OF HOUSE BILLS

CSHB 102 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 102 by the State Affairs Committee, entitled:

"An Act relating to rights in works of fine art."

was read the first time and referred to the State Affairs Committee.

STANDING COMMITTEE REPORTS

The Finance Committee has had SENATE JOINT RESOLUTION NO. 6 (relating to the Alaska Power Authority, the Phase I environmental economic, social and engineering studies of the Susitna Hydroelectric Project, and the incurring of indebtedness for Phase I) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Sackett, Chairman, and concurred in by Senators Bennett, Hackney and Dankworth. Senators Hohman and Ray signed "no recommendation". SJR 6

SENATE JOINT RESOLUTION NO. 6 was referred to the Rules Committee.

The Commerce Committee has had SENATE JOINT RESOLUTION NO. 18 (urging passage of a bill in Congress to amend the Shipping Act, 1916) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Bradley, Chairman, and concurred in by Senators Sturgulewski, Kelly and Stimson. Senator Ferguson signed "no recommendation". SJR 18

SENATE JOINT RESOLUTION NO. 18 was referred to the Rules Committee.

The Community and Regional Affairs Committee has had SENATE BILL NO. 6 (special appropriation to the Department of Community and Regional Affairs for purchase of public works equipment for Craig and Klawock) under consideration and the committee recommends it do pass. The report was signed by Senator Sturgulewski, Chairman, and concurred in by Senators Stimson, Rodey and Kelly. SB 6

SENATE BILL NO. 6 was referred to the Finance Committee.

The Judiciary Committee has had SENATE BILL NO. 56 (effect of homicide under the Uniform Probate Code) under consideration and the committee recommends it do pass. The report was signed by Senator Ziegler, Chairman, and concurred in by Senators Ray, Meland, Bennett and Dankworth. SB 56

SENATE BILL NO. 56 was referred to the Rules Committee.

SB 63 The Finance Committee has had SENATE BILL NO. 63 (special appropriation to the Alaska Power Authority for the Susitna Hydroelectric Project) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Sackett, Chairman, and concurred in by Senators Bennett, Hackney and Dankworth. Senators Hohman and Ray signed "no recommendation".

SENATE BILL NO. 63 was referred to the Rules Committee.

SB 70 The Judiciary Committee has had SENATE BILL NO. 70 (relating to volunteer service in state government) under consideration and the committee reports it back "without recommendation, but that it be further referred to the Finance Committee". The report was signed by Senator Ziegler, Chairman, and concurred in by Senators Ray, Meland, Bennett and Dankworth.

SENATE BILL NO. 70 was referred to the Finance Committee.

SB 125 The Commerce Committee has had SENATE BILL NO. 125 (special appropriation for operating expenses of radio station KYUK, Bethel) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Bradley, Chairman, and concurred in by Senators Sturgulewski, Kelly and Stimson. Senator Ferguson signed "no recommendation".

SENATE BILL NO. 125 was referred to the Finance Committee.

SB 165 The Commerce Committee has had SENATE BILL NO. 165 (special appropriation to mortgage insurance fund of the Alaska Housing Finance Corporation) under consideration and a majority of the committee recommends it do pass. The report was signed by Senator Bradley, Chairman, and concurred in by Senators Kelly and Stimson. Senator Sturgulewski signed "do pass with amendments" and Senator Ferguson signed "no recommendation".

SENATE BILL NO. 165 was referred to the Finance Committee.

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SENATE BILL NO. 101 (relating to the disciplining of a licensed guide) was read the second time. SB 101

Senator Ziegler moved and asked unanimous consent for the adoption of the Judiciary Committee Substitute offered on page 277. Without objection, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 101 was adopted. CS SB 101

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 101 was read the second time.

Senators Rodey and Bradley offered the following amendment No. 1:

Page 1, lines 6 and 7: delete "the disciplining of a licensed guide" and insert "licensed guides"

Page 1, line 10: add a new Section 1.
*Section 1. AS 08.54.144(c) is amended to read:
(c) Master guides, registered guides, class-A assistant guides or assistant guides are exempted from the license requirements for transporters under this chapter and may not be required to be certificated as air taxi operators under AS 02.05.040 for transporting activities incidental to their activities as guides. Master guides, registered guides, class-A assistant guides or assistant guides [BUT] shall comply with the reporting provisions as prescribed in AS 02.05.170(f).

renumber sections accordingly

Senator Rodey moved and asked unanimous consent for the adoption of amendment No. 1. Senator Sackett objected.

Senator Rodey moved and asked unanimous consent that amendment No. 1 be withdrawn. Without objection, it was so ordered.

CS SB 101 Senator Colletta moved and asked unanimous consent that the Rules be suspended and COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 101 be considered engrossed, advanced to third reading and placed on final passage. Senator Ray objected, then withdrew his objection. There being no further objection, the bill was advanced to third reading.

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 101 was read the third time.

The question being: "Shall COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 101 (relating to the disciplining of a licensed guide) pass the Senate?" The roll was taken with the following result:

Yeas:	15	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Hackney, Hohman, Kelly, Kerttula, Meland, Ray, Rodey, Sturgulewski, Tillion, Ziegler
Nays:	2	Ferguson, Sackett
Excused:	3	Mulcahy, Stimson, Summer

and so, COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 101 passed the Senate.

Senator Rodey gave notice of reconsideration on COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 101.

SECOND READING OF SENATE RESOLUTIONS

SJR 7 SENATE JOINT RESOLUTION NO. 7 (expressing disappointment in and disapproval of President Carter's recent withdrawal of Alaska land under the Antiquities Act) was read the second time.

Senator Colletta moved and asked unanimous consent that the Rules be suspended and SENATE JOINT RESOLUTION NO. 7 be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE JOINT RESOLUTION NO. 7 was read the third time. SJR 7

The question being: "Shall SENATE JOINT RESOLUTION NO. 7 (expressing disappointment in and disapproval of President Carter's recent withdrawal of Alaska land under the Antiquities Act) pass the Senate?" The roll was taken with the following result:

Yeas:	16	Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Hackney, Hohman, Kelly, Kerttula, Meland, Ray, Rodey, Sackett, Sturgulewski, Tillion, Ziegler
Nays:	1	Ferguson
Excused:	3	Mulcahy, Stimson, Sumner

Senator Ferguson changed his yea vote to nay.

and so, SENATE JOINT RESOLUTION NO. 7 passed the Senate.

Senator Ferguson gave notice of reconsideration on SENATE JOINT RESOLUTION NO. 7

SENATE RESOLUTION NO. 4 (objecting to the termination of the Mutual Defense Treaty with the Republic of China) was read the second time. SR 4

Senator Colletta moved and asked unanimous consent that SENATE RESOLUTION NO. 4 be returned to the Rules Committee to be calendared to a time certain. Without objection, it was so ordered.

UNFINISHED BUSINESS

President Tillion stated that the following bills and resolution would have a further referral to the Finance Committee:

SENATE BILL NO. 114 (relating to competitive bidding under the Fiscal Procedures Act) SB 114

SENATE BILL NO. 121 (providing for the certification to compliance with minimum standards of companies engaged in welding) SB 121

SB 135	SENATE BILL NO. 135 (relating to private employment agencies)
SB 223	SENATE BILL NO. 223 (relating to homestead entry)
SCR 18	SENATE CONCURRENT RESOLUTION NO. 18 (state loan programs)

ANNOUNCEMENTS

State Affairs SCR 3, SCR 11 SB 3, SCR 2, SJR 23	Beltz Room Room 209, Capitol	3:30 p.m., 2/21
HESS SB 80, SB 90, SB 222, SB 163 & Board of Pharmacy - Sunset Reports	Butrovich Room Room 207, Capitol	3:30 p.m., 2/21
Finance	Room 423, Capitol	9:00 a.m., 2/22
C&RA SB 2 Litter Bill	Butrovich Room Room 207, Capitol	1:30 p.m., 2/22
Commerce Hearing/Alaska Transportation Commission	Beltz Room Room 209, Capitol	3:00 p.m., 2/22
HESS SB 33, SB 142 SB 143	Butrovich Room Room 207, Capitol	3:30 p.m., 2/23

ADJOURNMENT

Senator Colletta moved and asked unanimous consent that the Senate adjourn until 10:00 a.m., February 22. Without objection, the Senate adjourned at 10:40 a.m.

Peggy Mulligan
Senate Secretary

February 1979

Committee Log Book - 1979

Tape Number 1

SENATE C/RA
Committee

Side Number 1

Dates 2/22/79 to

Bill Numbers Discussed

HJR 10	HCR 7,am		SB 2					

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2/22/79 1:33	0002		Chairman Sturgulewski called Hearing to order.
	0019	HJR 10	(Senators Mulcahy & Stimson Absent)
	0019	HCR 7,am.	COMMITTEE "DO PASS"
	26	SB 2	Chairman Sturgulewski
	32 37		Sen. Kelly, Motion for CS Chairman Sturgulewski
	40 41		Recess/CS handouts given audience Chairman - call back to order.
	79 157		Senator Colletta, Sponsor Sen. Sturgulewski
	160 166		Commissioner McAnerney, Dept. C/RA (from audience) Eric Lee, Director, Div. Community & Rural Dev.)
	182 186		Chairman Sturgulewski Eric Lee
	270 278		Sen. Rodey Mr. Lee
	294 303		Sen. Rodey Chairman Sturgulewski
	313 316		Mr. Lee Sen. Rodey
	317 318		Mr. Lee Chairman Sturgulewski
	320 334		Mr. Lee Sen. Kelly
	337 341		Mr. Lee Chairman Sturgulewski
	343 392		Mr. Lee Christine Foster
	394 401		Virginia del Piaz Ms. del Piaz
	504 505		Chairman Sturgulewski Senator Kelly

506 Ms. Piaz
511 Chairman Sturgulewski
513 Sen. Colletta
546 Chairman Sturgulewski
547 Sen. Rodey
559 Sen. Colletta
567 Sen. Rodey
582 Sen. Colletta
598 Sen. Rodey
599 Sen. Colletta
607 Sen. Rodey
611 Sen. Sturgulewski
613 Mr. Mitch Gravo/ Municipality of Anchorage
644 Chairman Sturgulewski
645 Sen. Rodey
649 Sen. Sturgulewski
653 Ron Murphy
665 Sen. Sturgulewski
674 Mr. Murphy
759 Sen. Kelly
671 Mr. Murphy
766 Sen. Kelly
768 Mr. Murphy
778 Sen. Kelly
785 Mr. Murphy
804 Sen. Sturgulewski
805 Sen. Rodey
806 Mr. Murphy
809 Sen. Rodey
810 Sen. Kelly
811 Mr. Murphy
824 Sen. Rodey
826 Mr. Murphy
843 Sen Rodey
844 Mr. Murphy
846 Sen. Sturgulewski
849 Mr. Murphy
861 Sen. Sturgulewski
865 Mr. Don Dickey (Alaska Chamber of Commerce)
949 Sen. Sturgulewski
950 Sen. Kelly
958 Mr. Dickey
963 Sen. Rodey
966 Mr. Dickey
970 Mr. Murphy (from audience)
971 Mr. Dickey
981 Sen. Kelly
983 Mr. Dickey
990 Sen. Sturgulewski
997 Mr. Dickey
999 RECESS
3:30 Meeting called to order
1002 Commissioner Ernie Mueller (Dept. of Environmental Conservation)
Plus Jon Tillinghast, from Dept.
13 Mr. Tillinghast
23 Sen. Sturgulewski
27 Commissioner Mueller
30 Sen. Sturgulewski
31 Mr. Mueller
60 Sen. Rodey
68 Commissioner Mueller
69 Mr. Tillinghast
74 Sen. Kelly
78 Commissioner Mueller
84 Sen. Sturgulewski
92 Sen. Kelly
94 Commissioner Mueller
97 Sen. Kelly
98 Commissioner Mueller
99 Sen. Sturgulewski
101 John Messenger (Acting Commissioner, Dept. of Revenue)
134 Sen. Sturgulewski
138 Mr. Messenger
142 Sen. Sturgulewski
144 Mr. Messenger
145 Sen. Kelly
147 Mr. Messenger
152 Sen. Kelly
153 Sen. Sturgulewski
160 Sen. Rodey
163 Sen. Kelly
164 Sen. Sturgulewski/Sen. Kelly
166 Mr. Messenger
169 Sen. Rodey
171 Sen. Sturgulewski
175 Sen. Kelly
1179 ADJOURNED 3:50 p.m.

KODIAK
ANNEX /
JT HR6 ;
TRAVEL /
ADMIN.

3 of 4.

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 5, 1979

TO: The Honorable Clem Tillion
President, State Senate
The Honorable Mike Colletta
Chairman, Senate Rules

FROM: Arliss Sturgulewski
Senator

RE: Kodiak - Joint Public Hearing of the Senate and House Community and Regional Affairs Committees, February 10, 1979.

As discussed with you and Senator Colletta earlier, this memorandum explains in further detail the planned trip to Kodiak. This Joint Hearing is being held for the consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10. The decision to go to Kodiak was made because of the great amount of interest expressed by affected citizens of the Kodiak community.

Although there are some individual differences in schedules, itinerary plans show the majority of the committee members leaving Juneau 5:30 p.m., Friday, February 9, 1979; overnighting Anchorage; going to Kodiak Saturday, February 10, and returning to Juneau 10 p.m., Sunday; thereby not missing any working legislative day.

The following Senate Community and Regional Affairs' members and staff will be traveling to Kodiak: Senators Mulcahy, Rodey, Kelly, and Sturgulewski. Staff includes Administrative Assistant Gene Walsh and Secretary Twyla Hartsock. See attached traveling schedule for complete details.

Expenses are to be handled in the following manner:

Each Committee will handle their own transportation costs and per diem for staff.

General expenses, phone calls, etc., will be handled by Senate Community and Regional Affairs Committee.

Advertising costs will be divided between the two Committees.

We understand written approval from you is needed in order to complete final travel arrangements and payments. Your approval would be appreciated as soon as possible.

Attachment

July

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 5, 1979

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Patrick Rodey

FROM: Arliss Sturgulewski
Chairman

RE: February 10, 1979, Joint Public Hearing in Kodiak

Attached is a traveling schedule for those members attending the above Hearing. By going as a group, we will receive a group discount on our plane fares. My office made and received confirmed reservations for our block trip (transportation plus Travelodge rooms in Kodiak); and after coordinating with your offices, your schedules appear as stated on this attachment. If you anticipate any changes, please contact my secretary. Also attached is a copy of the proposed agenda for our Joint Hearing.

We all realize our primary reason for this trip. In the event we do have some time left following our Hearing Saturday evening, legislators and staff have been invited to a League of Women Voters meeting.

An informal breakfast is tentatively being arranged by concerned citizens who wish to speak on the Development City Act and its proposed use on Afognak Island. They would like to meet with as many of the Joint Committee members as possible. Other Kodiak citizens may wish to meet with legislators at this informal breakfast also.

More specifics on the above; time, place, etc., will be announced later.

Attachments (2)

LEGISLATORS AND STAFF TRAVELING TO KODIAK

February 9-11, 1979

Fri. 2/9/79 JNU/ANC 5:30 p.m.	Sat. 2/10/79 ANC/KODIAK 9:30 a.m.	Sun. 2/11/79 KODIAK/ANC 10:45 a.m.	Sun. 2/11/79 ANC/JNU 6:35 p.m.
SENATE:			
Mulcahy, Bob	Mulcahy	Mulcahy	Mulcahy
Sturgulewski, Arliss	Sturgulewski	Sturgulewski	Sturgulewski
Rodey, Patrick	Rodey	Rodey	Rodey
----	Kelly, Tim	Kelly	----
Staff:			
Hartsock, Twyla	Hartsock	Hartsock	Hartsock
Walsh, Gene	Walsh	Walsh	Walsh
HOUSE:			
Zharoff, Fred	Zharoff	----	----
Carney, Patrick	Carney	Carney	----
Parker, Bill	Parker	Parker	Parker
Branson, Margaret	Branson	Branson	----
Metcalfe, Ray	Metcalfe	Metcalfe	Metcalfe
----	O'Connell, Patrick	O'Connell	O'Connell
Staff:			
Gorsuch, Marge	Gorsuch	Gorsuch	Gorsuch

OVERNIGHT ARRANGEMENTS FOR ALL THE ABOVE (except Senator Mulcahy and Representative Zharoff) WERE MADE AT THE KODIAK SHEFFIELD TRAVELODGE, Saturday, February 10, 1979.

Each legislator is responsible for overnighting arrangements in Anchorage, Friday, February 9, 1979.

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10.

Agenda:

2:00 Call to Order

Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation

2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: All Senate Community & Regional Affairs Committee Members

FROM: Twyla Hartsock th
Committee Secretary

RE: Other events in Kodiak, February 10-11, 1979.

As you no doubt already know, following our arrival in Kodiak, February 10, a bus tour will be given our (Joint) group, showing the proposed annexation area, before taking us to the Travelodge, and our Public Hearing at 2 p.m. (You already have your Public Hearing Agenda.)

Following the Public Hearing, or in the event a dinner break is taken, the Russian Dancers desire to perform for us at 7:30 p.m.. They are in the process of making dinner arrangements for our group at one of the dining places large enough to accommodate their performance.

Senator Rodey's office has advised there will be a no-host, informal, cocktail get-together at the Sheffield Travelodge, around 8 p.m., for anyone who would like to attend.

An 8 a.m. breakfast at the Travelodge is being arranged by citizens of Kodiak desiring to speak to our group, especially on the Development Cities Act in connection with Afognak Island.

The following reservations remain confirmed for our Committee members: Senators Mulcahy, Sturgulewski, Rodey, Kelly; and staff: Hartsock, Walsh.

2/10/79 Lv. Juneau 5:50 p.m. -- Arr. Anchorage 5:15 p.m. via Alaska Airlines
2/11/79 Lv. Anch. 9:30 a.m. -- Arr. Kodiak 10:20 a.m. via Wien Airlines

OVERNIGHT SHEFFIELD TRAVELODGE

2/12/79 Lv. Kod. 10:45 a.m. -- Arr. Anch. 12:20 p.m. via Wien Airlines
2/12/79 Lv. Anch. 6:35 p.m. -- Arr. Juneau 10 p.m. via Alaska Airlines

CHECK-IN IS AN HOUR AHEAD OF EACH DEPARTURE.

If you have any questions, don't call me. ☺

LEGISLATORS AND STAFF TRAVELING TO KODIAK

February 9-11, 1979

Fri. 2/9/79 JNU/ANC 5:30 p.m.	Sat. 2/10/79 ANC/KODIAK 9:30 a.m.	Sun. 2/11/79 KODIAK/ANC 10:45 a.m.	Sun. 2/11/79 ANC/JNU 6:35 p.m.
SENATE:			
Mulcahy, Bob	Mulcahy	Mulcahy	Mulcahy
Sturgulewski, Arliss	Sturgulewski	Sturgulewski	Sturgulewski
Rodey, Patrick	Rodey	Rodey	Rodey
----	Kelly, Tim	Kelly	----
Staff:			
Hartsock, Twyla	Hartsock	Hartsock	Hartsock
Walsh, Gene	Walsh	Walsh	Walsh
HOUSE:			
Zharoff, Fred	Zharoff	----	----
Carney, Patrick	Carney	Carney	----
Parker, Bill	Parker	Parker	Parker
Branson, Margaret	Branson	Branson	----
Metcalfe, Ray	Metcalfe	Metcalfe	Metcalfe
----	O'Connell, Patrick	O'Connell	O'Connell
Staff:			
Gorsuch, Marge	Gorsuch	Gorsuch	Gorsuch

OVERNIGHT ARRANGEMENTS FOR ALL THE ABOVE (except Senator Mulcahy and Representative Zharoff) WERE MADE AT THE KODIAK SHEFFIELD TRAVELODGE, Saturday, February 10, 1979.

Each legislator is responsible for overnighting arrangements in Anchorage, Friday, February 9, 1979.

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

PURPOSE: Consideration of "Recommendation for Annexation of Territory to the City of Kodiak" as submitted to the Eleventh Legislature by the Alaska Local Boundary Commission; Senate Joint Resolution 12 and House Joint Resolution 10.

Agenda:

2:00 Call to Order

Introductory Remarks

2:15 Alaska Local Boundary Commission Presentation

2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

KODIAK

ANNEX

CORRES

2-10-79

Committee Log Book - 1979

Tape Number Reels 1-6

SENATE C/RA

Committee

Side Number

Dates 2/10 to 2/10/79

KODIAK BOUNDARY JT. PUBLIC HEARING IN KODIAK

Bill Numbers Discussed

Date & Time	Tape Meter Numbe.	Bill	Significant Information (Witness, Action)
2/10/79			Reels 1-6
2:00 p.m.			Called to Order
6:35 p.m.			Adjournment

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 6, 1979

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey

FROM: Arliss Sturgulewski AS
Chairman

RE: Kodiak Public Hearing, February 10, 1979

Attached is background information for our Kodiak Public Hearing.

Please take these packets with you to Kodiak, as extra copies will not be available.

Attachments

1-30-79

Committee Log Book - 1979

Tape Number 1

Side Number "2"

SENATE C/RA
Committee

Dates 1/30/79 to

BRIEFING - KODIAK ANNEXATION - KODIAK HEARING PREPARATIONS

Bill Numbers Discussed

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1/30/79	0000		Start with Chairman Sturgulewski
1:30PM	126		Mr. P. McCarter, Dir., Div. Local Govern., Dept. C/RA
	186		Sen. Mulcahy, Mbr. C/RA
	207 368		Mr. McCarter Mr. Chenoweth, Legislative Affairs
	660 671		Chairman Sturgulewski Commissioner McAnerney, Dept. C/RA
	682 693		Mr. Chenoweth Sen. Stimson, Mbr. C/RA
	699 725		Mr. Chenoweth Sen. Stimson
	729 748		Sen. Chenoweth Chairman Sturgulewski
	763 773		Mr. McCarter Commissioner McAnerney
	776 778		Mr. McCarter Sen. Mulcahy
	794 821		Chairman Sturgulewski Mr. McCarter
	973 976		Sen. Stimson Mr. McCarter
	991 994		Sen. Stimson Mr. McCarter
	997 1002		Sen. Stimson Sen. Kelly, Mbr C/RA
	1007 1018		Sen. Mulcahy Commissioner McAnerney
	1033 1037		Sen. Kelly Chairman Sturgulewski
	1046 1053		Sen. Mulcahy Chairman Rodey
	1060 1071		Mr. McCarter Sen. Kelly
	1076 1123		Mr. McCarter Sen. Stimson.

1128-30	Mr. McCarter
1139	Sen. Stimson & Mr. McCarter
1155	Sen. Mulcahy
1170	Mr. McCarter
1181	Chairman Sturgulewski
1182	Sen. McCarter
1187	Sen. Kelly
1190	Mr. McCarter
1194	Sen. Kelly
1195	Mr. McCarter
1198	Commissioner McAnerney
1203	Chairman Sturgulewski
1206	Sen. Mulcahy

TAPE ENDED AND MEETING ADJOURNED

Approximately 2:35 pm

JOINT PUBLIC HEARING BY THE SENATE AND HOUSE COMMUNITY
AND REGIONAL AFFAIRS COMMITTEES
CO-CHAIRED
SENATOR ARLISS STURGULEWSKI
AND
REPRESENTATIVE BILL PARKER

2:00 P.M.
FEBRUARY 10, 1979
EAST ELEMENTARY SCHOOL AUDITORIUM
KODIAK, ALASKA

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2:35 City of Kodiak Presentation

2:55 Borough of Kodiak Island Presentation

3:15 Public Testimony (Groups-5 minute / Individuals 3-minute limitations)

Adjournment

KODIAK ISLAND BOROUGH

P.O. Box 1246
Kodiak, Alaska 99615

Second Class Borough

Phone: (907) 486-5736

INCORPORATION DATE: September 24, 1963
POPULATION: 8,926
REGULAR ELECTION: First Tuesday of October
SALES TAX: None
ASSEMBLY MEETS: First Thursday of each month

MAYOR: Betty Wallin 1979

ASSEMBLY MEMBERS	
Dr. Michael Emmick	1979
Edward Jack	1980
Sandra Kavanaugh	1979
Arnold Hansen	1981
James Peotter	1980
William Fearn	1981
Danforth Ogg	1981

BOROUGH POWERS

Areawide: Education, health, planning and zoning, assessment and taxation. Non-areawide: Fire districts (2), parks and recreation.

PLANNING AND ZONING COMMISSION	
Ron Ball	1979
Dan Busch	1979
John Pugh	1979
Gene Erwin	1980
Tom Perez	1980

SCHOOL BOARD	
Stan Baltzo	1980
David Crowe	1979
Joan Johnson	1979
Louise Collins	1981
Jim Olson	1981
Fran Flick (non voting rep)	

Service areas: Road maintenance.

MANAGER.....Stuart Denslow
CLERK/TREASURER.....Shirley "Mickie" Miller
HEALTH OFFICER.....Harry Brighton
PLANNING DIRECTOR.....Harry Milligan
SUPERINTENDENT OF SCHOOLS.....John Anttonen
ATTORNEY.....Richard Garnett
ASSESSOR.....Edwin Haney
ADMINISTRATIVE ASSISTANT.....Marilyn McKinnon
BUILDING OFFICIAL.....Bryce Gordon
ENGINEER.....Robert Marmaduke III
HOSPITAL ADMINISTRATOR.....Robert Groff

****

KODIAK

P.O. Box 1397
Kodiak, Alaska 99615

Home Rule City

Phone: (907) 486-3224

INCORPORATION DATE:	September 11, 1940
POPULATION:	4,960
REGULAR ELECTION:	First Tuesday in October
SALES TAX:	3%
CITY COUNCIL MEETS:	Second and fourth Thursdays of each month

MAYOR: Gary Stevens 1979

CITY COUNCIL MEMBERS		MUNICIPALLY OWNED UTILITIES
Toni Eaton	1979	Water
Gaynell Hatcher	1980	Dock
Carol Lechner	1979	Sewer
Ernie Mills	1981	Ferry Terminal
Wilton White	1981	Boat Harbor
Dave Woodruff	1980	

CLERK.....Libby Presnall
FINANCE DIRECTOR.....Harry Hyde
MANAGER.....Clair Harmony
CHIEF OF POLICE.....Jack Rhines
FIRE CHIEF.....George Magnusen
HEALTH OFFICER.....State Sanitarian
EMERGENCY PREPAREDNESS DIRECTOR.....Clair Harmony
PORT DIRECTOR.....George Cutrell
HARBORMASTER.....George McCorkle
ENGINEER.....John Stafford
WATER & SEWER SUPERINTENDENT.....Herman Beukers
PARKS & RECREATION DIRECTOR.....Ian Fulp
PURCHASING AGENT.....Carolyn Thomas
LIBRARIAN.....Elizabeth Carroll
BUILDING INSPECTOR.....Morris Lee
ATTORNEY.....Cole, Hartig, Rhodes, Norman and Mahoney

KODIAK

RPT. by

C/RA

Alaska State Legislature

Senate

Office of the Secretary

January 21, 1980

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Community and Regional Affairs Committee

From: Secretary of the Senate

Subject: Report to the Second Session of the Eleventh Legislature relating to Review of Services provided to the Residents in the Kodiak Island Borough

The President has referred the above report to the Community and Regional Affairs Committee for your information.

Encl: C&RA report of January 18, 1980

DCRA

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 18, 1980

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Tillion:

In accordance with the provision of House Concurrent Resolution No. 7 as amended, presented herewith is a report reviewing the progress made to provide services to the "urban" resident of the Kodiak Island Borough not residing within the City of Kodiak.

The report is a brief summary of the existing situation in Kodiak, progress that has been made this past year, and recommendations for further action to resolve the problems that still exist before water and sewer services can be provided to residents living outside the City of Kodiak boundary.

Sincerely,

Lee McAnerney
Commissioner

Enclosures

21-P2LH

Report to the Second Session of the Eleventh Legislature Relating to Review of Services Provided to the Residents in the Kodiak Island Borough

Prepared and Submitted Pursuant
to House Concurrent Resolution No. 7AM
by the Department of Community and Regional Affairs

January 18, 1980

Background

As a result of a petition to annex a small area into the City of Kodiak the Local Boundary Commission (LBC) held two public hearings, one on December 12, 1977 and the other on May 20, 1978, to take public testimony on the annexation of a larger area to the City of Kodiak. This area included the Spruce Cape area, the Mill Bay Road area, the Monashka Bay area, and the United States Coast Guard Station. Following the public hearing the LBC recommended to the First Session of the Eleventh Legislature that all of the areas, except the Coast Guard Station, be annexed to the City of Kodiak. The Legislature disapproved this annexation by adoption of House Joint Resolution 10. The Legislature, in House Concurrent Resolution No. 7 amended, requested the Department of Community and Regional Affairs to study the various options to provide "services throughout the road system extending North and Northeast of the City of Kodiak" and to submit a report to the Legislature by January 20, 1980.

Progress to Date

During 1979, the City of Kodiak and the Kodiak Island Borough worked together to devise an acceptable compromise to provide services to the residents of Service District #1 which includes the area proposed by the LBC for annexation. The Department was kept apprised of these negotiations, and it was clear that the City and Borough wished to work its problem out without C&RA involvement.

The negotiations centered around providing water and sewer service to an area referred to as Service District #1, which includes the Island Lake and Spruce Cape areas. The City of Kodiak indicated in writing in December, 1979, that "the City's attitude does not preclude small annexations as requested through the presentation of 100% petitions, but does reject the idea of major annexations". This attitude would also preclude the provision of services by instituting a step annexation. The Local Boundary Commission has also stated that it will not pursue annexation in the City of Kodiak area on its own and will only become involved if petitioned.

The method of providing service through a service district approach appears to have the mutual support of the City and Borough. The City is willing to provide water at the city boundary to Service District #1 and to treat effluence from this area. The City will provide water meters to allow for the billing to the Borough for the residents getting water and sewer service in the area outside the city.

The major concerns that need to be resolved deal with the operation and maintenance of the water and sewer utility service. A rate study needs to be conducted and the City and Borough have not, as of this date, reached an agreement on selection of a consulting firm to do this work. The City has stated that it does not wish to become involved in any contractual arrangement to operate and maintain the water and sewer systems within Service District #1. City Mayor Al Beardsley states that this "maintenance (within Service District #1) can just as easily be contracted (by the Borough) with a private firm". Agreement has been reached to allow the City inspection privileges during

installation of sewer lines to minimize infiltration into the sewer collection system within Service District #1.

Public Meeting

On January 12, 1980 Commissioner Lee McAneerney convened a public meeting for the purpose of receiving public comment regarding the "best" way to provide services to those residents of the Kodiak "urban" community outside the City of Kodiak. The managers of both the City and Borough, the city mayor, seven other assembly or council members, and fourteen public participants were present at the meeting.

Thirteen persons testified during the meeting. The overwhelming majority of those testifying favored the direction that the City and Borough have taken in negotiations between these two local governments. The testimony expressed a feeling that the service district approach gives the residents involved more alternatives in the level of service they will receive.

One person testified in favor of annexation of Service District #1 to the City of Kodiak as the best short-term alternative with unification of the City and Borough being the long-term or ultimate solution.

Future Outlook

This Department is prepared to assist the City of Kodiak and the Kodiak Island Borough in their attempt to work out remaining differences between them. Both the City and Borough should be commended for the progress that has been made to date. There is no reason to think that the remaining

differences cannot be worked out within the next few months.

The question of unification will again appear on the October, 1980 ballot. If this proposition is approved, jurisdictional problems in providing services to Kodiak Island residents would be resolved.

The Department concludes that no further action is required by the Legislature, the Local Boundary Commission or this Department, at this time, in the matter of provision of municipal services to residents living within the Kodiak "urban" area.

HCR

67

COMMITTEE REPORT

SENATE

5/15/80

FURTHER: None

Date: 5-20-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HCR 67

Inuit Circumpolar Conference

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Del Munsey
Tom Kelly
Jerry Thomas

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Carlton Stoneberger
CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XXX

SENATE C/RA // Chairman Sturgulewski

Committee

Side Number 1

Present: Senators Kelly, Stimson, Mulcahy

Dates 5/20/80 to ---

Absent: Senator Rodey

Bill Numbers Discussed

HCR 67	CSHB 932								

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2:15 5/20/80	000	HCR 67	Chrmn Sturgulewski opened meeting.
		039	Sen. Kelly moved to pass out. / No objection.
	050	CSHB 932	Chrmn. Sturgulewski gave summary of bill.
	113		Sen. Mulcahy moved to adopt SCS / No Objections
			Additional amendments were discussed - and
			Sen. Mulcahy moved to adopt amendments
	190		Gordon Stockdale, AA to Rep. Duncan, Bill Sponsor
	265		Chrmn Sturgulewski/ Concern 44.19.226 (Staff)
	309		Sen. Kelly moved to delete 44.19.226
	320		Sen. Stimson - questions
	353		Sen. Stimson/ Kelly - sunset questions
	467		Sen. Stimson moved that amendment clearly showing
			repeal be made. No objections.
	513		Sen. Stimson - Questions: Council size, term length, etc.
	590		Sen. Stimson moved to pass SCS CSHB 932 with
			w/ individual recommendations. No objections.
	625	Next Mtg.	Meeting with HUD Washington D.C. officials
	645	INTERIM WORK	Brief Discussion/ Summary

678 MEETING ADJOURNED

CSHB 1031

Representative Metcalfe changed his vote from "nay" to "yea."

And so, CSHB 1031 passed the House.

Representative Anderson moved and asked unanimous consent that the roll call on the passage of CSHB 1031 be considered the roll call on the effective date clause. There being no objection, it was so ordered.

CSHB 1031 was referred to the Chief Clerk for engrossment.

SECOND READING OF HOUSE RESOLUTIONS

HCR 67

HOUSE CONCURRENT RESOLUTION NO. 67 (relating to the Inuit Circumpolar Conference) was read the second time with the Community and Regional Affairs Committee report (page 1303 of the journal).

Representative Anderson moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 67 (same title) be adopted in lieu of the original resolution.

Representative Malone objected.

Representative Zharoff moved and asked unanimous consent that he be allowed to change his recommendation on the Community and Regional Affairs Committee report from "do pass" to "do not pass as amended." There being no objection, it was so ordered.

The question being: "Shall CSHCR 67 be adopted?" The roll was taken with the following result:

HCR 67 HCR 67 MOTION

Yeas:	16	Barnes, Beirne, Bettisworth, Chatterton, Freeman, Halford, Hayes, McKinnon, Martin, Meekins, Montgomery, O'Connell, Parr, Phillips, Randolph, Smith
Nays:	22	Anderson, Branson, Brown, Buchholdt, Carney, Cotten, Duncan, Eliason, Fuller, Gardiner, Guy, Hurlbert, Malone, Metcalfe, Miles, Miller, Moss, Munson, Osterback, Parker, Rogers, Zharoff
Not Voting:	2	Haugen, Schaeffer

And so, CSHCR 67 was not adopted.

The question then being: "Shall HCR 67 pass the House?" The roll was taken with the following result:

HCR 67

Yeas:	23	Anderson, Bettisworth, Branson, Brown, Buchholdt, Cotten, Duncan, Eliason, Fuller, Gardiner, Guy, Hurlbert, McKinnon, Malone, Martin, Miles, Miller, Munson, Osterback, Parker, Rogers, Smith, Zharoff
Nays:	13	Beirne, Carney, Chatterton, Freeman, Halford, Meekins, Metcalfe, Montgomery, Moss, O'Connell, Parr, Phillips, Randolph
Not Voting:	4	Barnes, Haugen, Hayes, Schaeffer

Representative Meekins changed his vote from "yea" to "nay."

Representative Carney changed his vote from "yea" to "nay."

Representative Halford changed his vote from "yea" to "nay."

Representative Moss changed his vote from "yea" to "nay." HCR 67

Representative Freeman changed his vote from "yea" to "nay."

And so, HCR 67 passed the House.

Representative Randolph served notice of reconsideration of the vote on HCR 67. Not taken up 5-13-80

ANNOUNCEMENTS

Republican Caucus	Capitol 207	Upon recess
HESS Meeting cancelled		5/13
Republican Luncheon Senator Bradley, Speaker	Capital Room	Noo , 5/13
Interior Delegation Brown Bag Lunch	Capitol 124	Noon, 5/13
Legislative Dinner Honoring retiring members	Gold Room	7:00 p.m., 5/13

RECESS

Mr. Anderson moved and asked unanimous consent that the House recess until 1:00 p.m. There being no objection, the House recessed at 11:40 a.m.

AFTER RECESS

The House was called to order at 1:06 p.m. and reverted to

COMMITTEE REPORT

HOUSE

4/25/80

FURTHER:

Date: 2 May 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HCR 67

"Relating to the Inuit Circumpolar Conference."

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 H.C.R. 67 [X] same title [ ] new title

and recommends _____

[ ] 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:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HCR 67 Re Inuit Circumpolar Conference

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS:

HEARING DATE: 5/2/80

MEMBERS PRESENT:

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

Rep. Parker reviewed the Resolution and discussed the purpose of the Circumpolar Conference as being an awareness builder and reinforcement for cultural identity.

The commitee decided to eliminate the wording related to "delegation" p. 1 lines 26-29

A committee substitute will be drafted to reflect this change and the bill, as a CS, was passed out of Committee.

HS. "CS" was voted down on floor 5-13-80

COMMITTEE ACTION: CS to be drafted to reflect above indicated intent and the bill was signed out.

TAPE # 10 SIDE 1 Footage 298-444

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST.
Bill/Resolution No. Committee Substitute for House Concurrent Resolution No. 67
Title Relating to the Inuit Circumpolar Conference
Requested by Rep. Bill Parker Date 5-5-80

II. FISCAL DETAIL
Agency Affected Legislative Affairs Agency
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Legislative Council
(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-				
200 TRAVEL		-0-				
300 CONTRACTUAL		-0-				
400 COMMODITIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact anticipated.

IV. DATE 5/6/80 PREPARED BY Sharon Sturrock, Accountant
AGENCY Legislative Affairs Agency
PHONE 465-3852

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

(Rev. 12/79)

THELMA
BUCHHOLDT
Alaska State Legislature
House of Representatives
Juneau, Alaska 99811

May 16, 1980

To Senator Arliss Sturgulewski
Senate CRA Committee Chair

From Rep. Thelma Buchholdt TB
House HESS Chair

Subject HCR 67 am (Inuit Circumpolar Conference)

Arliss, I'd appreciate it if you'd schedule the above resolution and report it out as soon as possible so that it can get Senate floor action before we adjourn. I'm available to testify before your committee, if necessary.

I attended the first Inuit Circumpolar Conference in Barrow. I don't expect to attend this second conference that will be held in Nuuk which is the subject of HCR 67 am.

As far as the selection of participating legislators to the Second Inuit Circumpolar Conference, I assume 2 would be appointed by the Speaker and 2 by the President of the Senate.

Enclosed for your review are: 1) A booklet published following the Barrow conference which contains the list of participants and resolutions passed by the delegates; and 2) Informational material on the forthcoming conference in Nuuk from June 28 to July 1, 1980.

Thank you.

INUIT CIRCUMPOLAR CONFERENCE
SILARSUARMI INUIT KATUTTIQ ATIGIINGAT
Nuuk
Greenland
1980



MAYOR EBEN HOPSON, SR., CHAIRMAN
INUIT CIRCUMPOLAR CONFERENCE

ilisimatitsissut.

pisussaaffiga malillugu ataqqinaatitut ilisimatitsisutiginiarpara ICC-p 1980-imi ataatsimeersuarnissaa junip 28-anit julip 1-anut pisussaammat Nuummi Kalaallit Nunaanni. nuannaarutigalugu nalunaarutigissavara Namminersornerulernermi oqartussat Landstingimi oqartussaanerup Jonathan Motzfeldt-ip siulersugaata taasinertigut ataatsimeersuarnissamut tassunga qaaqqusisuummata.

ICC-p 1977-mi Barrow-imi Alaskami ataatsimeersuarnerata kingornagut immikkut ittumik ataatsimiititaliaq suliarisimasaminik nalunaarutaqassaaq.

inuit nunagisamik ilaanni nunamilu tamarmi oqartussatut qinerneqarsimasut (tamanit immikkut 18-ussaat) Alaskamit Canadamit Kalaallillu Nunaannit suleqatigiinnissat malittarisassaatut siunnersuut issitormiut suleqatigiinnissaata pilersinneranik imaqartoq tigusussaavaat.

ataatsimeersuarnermi aggulullusa suliassat makkunununga tunngasut suliariniassavavut:
- kultuurikkut kingornussarsiat.
- nunaqarfiit atortulersornissaat ineriartornissaallu.
- ilinniartitaaneq inuillu oqaasii.
- avatangiisitta illersornissaat piniakkallu nungutsaalinissaat.
- issittumi isumalluutitta iluaqutiginissaat maanakkullu atortut illersugassarlu.
- peqqinnissamut inunnillu isumaginninermut tunngasut.
- issittumi assartorneq ataqatigiinnerlu.

inuit eqqumiitsuliortutut suliaqartut suliamik ilaat saqqummersissavaat inuillu kingornussarsiaasa oqaluttuassartaat Kalaallit Nunaata katersugaasiviani saqqummersinneqassapput. Pilmit lysbilledillu inunnut issittormiunullu tunngasut takutinneqassapput. inuit tivusartut qititartullu, erinarsortartut isiginnaartitsisartullu Nuummi ataatsimeersuarnerup nalaani aliikkuserusissapput.

inissaqartitsinissamut nerisaqartitsinissamullu peqataasut periarfissaat killilerujussuupput. taamaattumik pisariaqarluinnarpoq peqataarusuttut ilaujumanerminnik allaffissaq uuma ataaniittoq atorlugu nalunaaruteqassasut, taanalu kingusinnerpaamik April-ip 1-anni 1980-imi nassiutereersimassalluni. ilaujumanermik allatsinnissamut akiliutissaq inummut ataatsimut 100,00 dollarsiuvoq. akuerineqanermillu nalunaarutip tigunerunik ullut 30-it qaangiutsinnagit nalunaarutigineqassalluni. inissaqarnissamut nerisaqarnissamullu akuersineq Maj-ip 1-at tikitinnagu nalunaarutigineqassaaq taamatumalu nalaani angalanissamut periarfissat aallajangersorneqareersimallutik paasissutissiissutigineqassapput.

eqqaamasiuk Danmarkimi inutsisit malillugit kinaluunniit Kalaallit Nunaaliartoq apuunnermini atortuusumik paasseqartussaammat.

Borgmester Eben Hopson
inuit issitormiut ataatsimeersuarfiata siulittaasua.

Nuummi Kalaallit Nunaanni issitormiut 1980-imi ataatsimeersuarnissaat peqataaffigerusuppara. ilaanissamut atortussanik nassitsiarsinga.

ateq:_____ telefonit:_____

najugaq:
aqqusineq:_____ illoqarfik:_____ nuna:_____

inuit peqatigiiffiinut ilaavunga - aap:____ naagga:_____

ilaaguit peqatigiiffiup aqqa:_____

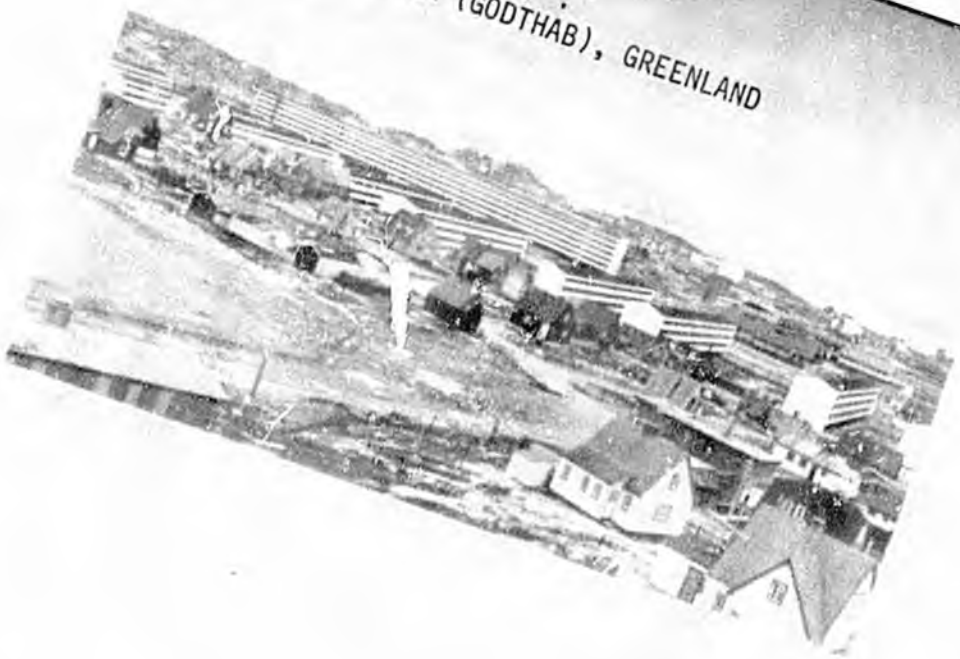
ilaanngikkuit issitormiunut qanoq ataasuteqarnerit:

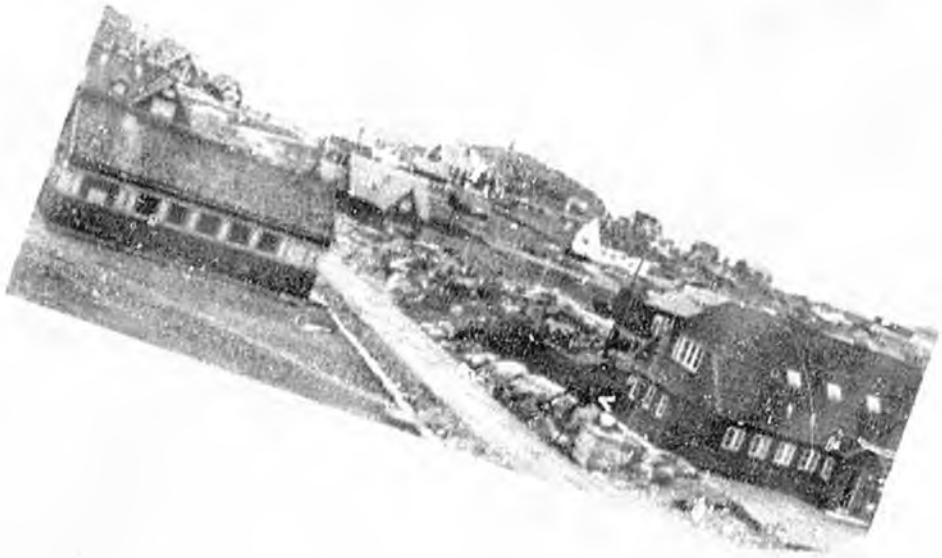
_____

postkorti taanna kingusinnerpaamik april-ip 1-at 1980 tikitsinnagu nassiuguk uunga:

Mayor
Eben Hopson, Chairman
Inuit Circumpolar Conference
P.O.Box 570
Barrow, AK 99723

NUUK (GODTHÅB), GREENLAND





ᐃᓄᐃᑦ ᓄᓇᕗᑦ ᐊᑐᓕᕐᓂᖅ ᑲᑎᒪᓂᖅ
ᐅᖃᓕᒫᓂᖅ 28-ᒥᑦ ᐅᓪᓗᓈᑦ 1-ᒧᑦ , 1980
ᓄᓇ (ᓯᓚᑦ, ᐊᑐᕐᑐᒃ)
ᑐᓴᖅᑕᕐᕕᓴᑎᐊᓕᓐᓂᖅ

ᓴᓇᐊᖏᓐᓂᒃ ᓯᓚᑦᑎᓂᒃ ᑐᓴᖅᑕᕐᕕᓂᖅ ᐃᓄᐃᑦ ᓄᓇᕗᑦ ᐊᑐᓕᕐᓂᖅ ᑲᑎᒪᓂᑎᓐᓄᖅᑕᕐᓂᒃ ᐊᑎᕐᓗᒍ 1980-ᑕᓄᖅᑐᓂ ᓄᓇ ,ᐊᑐᕐᑐᒃ ᑐᒥ, ᐅᖃᓕᒫᓂᖅ 28-ᒥᑦ ᐅᓪᓗᓈᑦ 1ᒧᑦ 1980-ᒥ. ᓴᓇᐊᖏᓐᓂᒃ ᐱᓇᓱᒋᑦ ᐃᓄᐃᑦ ᐃᓅᓯᕕᓂᖅ ᓯᓚᑦ ᓯᓚᑦᓴᓂᑦᑎᓂᒃ ᐊᑐᕐᓂᓄᖅᑐᓂᒃ ᓄᓇᕗᓂᓄᖅᑐᓂᒃᓄᑦ ᐅᖃᓕᒫᓂᖅ ᐱᓕᕆᔨᒃᑐᑦ ᑎᑭᐅᔪᓐᓇᖅᑐᑦ ᑲᑎᒪᓂᖅ ᓴᓇᔨᓂᖅ ᐊᑐᕐᓂᖅ ᑲᑎᒪᓂᑎᓐᓄᖅᑕᕐᓂᒃ ᐃᓄᐃᑦ ᓄᓇᕗᑦ ᐊᑐᓕᕐᓂᖅ ᑲᑎᒪᓂᖅ ᓴᓇᔨᓂᖅ ᐊᑐᕐᓂᖅ ᐃᓄᐃᑦ ᓄᓇᕗᑦ ᐊᑐᓕᕐᓂᖅ ᑲᑎᒪᓂᖅ ᓴᓇᔨᓂᖅ ᐊᑐᕐᓂᖅ .

ᑭᓄᓐᓄᑦ ᐊᑦᓯᓂᓐᓄᑦ ᐱᓇᓱᒋᔭᐅᓂᖅᓄᑦ ᓴᓇᔨᓂᖅ ᐊᑐᕐᓂᖅ ᐃᓄᐃᑦ ᓄᓇᕗᑦ ᐊᑐᓕᕐᓂᖅ ᑲᑎᒪᓂᑎᓐᓄᖅᑕᕐᓂᒃ ᖃᓄᐃᓂᒃ ᐱᓕᕆᔨᒃᑐᑦ ᐃᓄᐃᑦ ᓄᓇᕗᑦ ᐊᑐᓕᕐᓂᖅ ᑲᑎᒪᓂᖅ ᓴᓇᔨᓂᖅ ᐊᑐᕐᓂᖅ



IÑUPIAT TAPIŁŁUGI ATQUTCHIMUGNIQ
July 15-18, 1980
Nuuk (Godthab, Greenland

ILISIMARAKSRAQ

Quyyatigiqpakkiga iłitchuġipkaitquyumammanna IÑupiat tapilluqi kasimaniaqtuatigun 1980-mi Nuuk, Greenland-mi July 15-miÑ aglaan July 18-mun. Quyyatigimmigikput kavamatchianata pitqurriuqtiŋisa aullarriqaqtuat Premier Jonathan Motzfeldt-mik piyummatigivlugu aiyugaaġmatigut taamani kasimatquvluta.

Executive Resolutions Committee-uruat qaitchiÑiaqtut tavrani kasimaruani paŋmanuaglaan savaaquruanik piraksriaguŋaruanik Utqiaġvigmi kasimammata 1977-mi.

Iłauruat taaptumuŋa atautchimuŋniġmun Alaska-miłłu, Canada-miłłu, Greenland-miłłu qaqpiġaamik maliġiraksrauniaqtuanik qanuġitiłiŋagaksriÑiaġmigaich.

Ukua uqausiġiniaġaich tavrani kasimallaġmik:

- IÑuuniaġniq Taimaŋŋaqaŋa
- Nunaaqqich Igliġniŋat
- Iłisaġniġlu IÑupiallu Uqaluat
- Nunaptigun Qaunakłaaġniġlu Niġrusiqiniġlu
- Paŋmapaglu Tikisuksraġlu Ikayuutauruanik Nunaptigniq
- Timikullu IÑuuniaġnikullu Ikayuutit
- Igliġutillu Uqautitautillu

IÑupiat savaaniłłu iÑuuniaġniġmiŋniłu apqusaaŋaraŋich qiÑiqtitaagunlaġmiut National Museum-ŋani Greenland. QiÑiġaalianik iÑuniÑnik nunapta qiÑiqtitchimmiłutik aasiisuli aġġirinik naaqqa atuqtiniglu piuraaqtiniglu qiÑiġniaġmiugut Nuuk-miilapta.

Iniksraġniaġniq siġłiġnaġniaġman kasimayyaġuktuapayaat utiqtittuksraġigaat maqpiġauraq ukununa iłauruaq tikiÑnaiÑnaan April 1, 1980 . Tavruŋaġumaruat akiłłiruksraurut tallimakipiatun iłitchuġipqaġumi iniksraqaqtilaamiÑik IÑuiÑÑaq qulit uviut naaŋiŋaiÑŋaisa. Iniksraqaqtilaaqsiłu igliġviksratigullu kiliktauniaqtusi May 1, 1980 naaŋiŋaiÑŋaan. Itqaumalusi pitquraqaqtut Denmark-lu Greenland-lu iÑupayaaq taavuŋaġniaqtuaq Passport-qaqtuksrauruk.

MAYOR EBEN HOPSON
CHAIRMAN

IÑUPIAT TAPIŁŁUGI ATAUTCHIMUGNIO
Nuuk, Greenland

Piyummatiqaqtuna 1980-mi IÑupiat tapilluqi atautchimuktuani Nuuk, Greenland-mi. Tuyuqsiŋa ilisimaraksramnik.

Atiġa _____
(Telephone)

Aimaaġviga _____
Street City State/Province/Territory

Ilauruna IÑupiani atautchimunmun iqliġni [illegible]. Ii____ Naumi_____
Aŋiġuvich suna atiŋa: _____
Nalliatigun ilauvich: Member: Board Member: Officer: ____
Ilauqatigma kasimayyaqugaaŋŋa: _____Ii ____Naumi
Naumiġuvich agliutikki nunaptigni apqusaaŋaratin: _____

_____

Una maqpiġaaq utiqtitaksrauruq naaŋiŋaiÑŋaan April 1, 1980

Quyaunga uumek nallunairturiqatallemnek tua-i 1980-mi ukut Inuit Circumpolar Conference-aamek at'leget quyurteqatallratnek, Nuuk, Greenland-ami July 15-18, 1980-mi. (Una Yupiit Inuit-llu uitatulit Alaskami, Canada-mi cali-llu Greenland-ami quyurcaraqaat.) Quyaukut kelgucimtenek uumun angelriamun quyurtevkaucimtenek nutaramek kavmentalegmek ellmeggnek picirkiuryaurtellriamek yuut vote-aryaraitgun atanermun Jonathan Motzfeldt-aamun.

Ukut Executive Resolutions Committee-t nallunairturiciqut qaillun ayullranek picirkiullmeng pitacianek allami piurtellermek Barrow, Alaskami quyurtellermeggni.

Ukut ciuliqagcestet nunanek yuut quyurtaaryaraitgun Alaskamek, Canada-mek, cali-llu Greenland-amek (akimiaq pingayunek cipluku yuut ataucimek nunarpagmek piarkauluteng), tua-i pisqumalriamek akurturarkaulutang piciurtengnaqellranek Yupiit Inuit-llu pingnaqsuutekaatnek.

Makut qalarutkeciqaput quyurteqtaallemteni:
--Ciuliamta piciryarallrit
--Nunat yuita piyarait naparcillerkait-llu
--Elitnauryaraq cali-llu Yupiit Inuit-llu qaneryarait
--Ellam kellutarkaa cali-llu pitarkanek aulukiyaraq
--Maantellria cali-llu piciurtengnaqerkaq Arctic-aami aturarkat nunamelnguut napartellerkaat
--Ayaniyaraq yuungnaqsaraq-llu
--Qaillun ayagayaraq qaillun-llu qalaruciyaraq Arctic-aami.

Inuit Yupiit-llu calinguayulriit calinguateng tamaani yugnun tangrresqelluki paivvluki piciqut, cali-llu Inuit Yupiit-llu piciryarait nasvaumaciqut National Museum-aami Greenland-aami. Cali tangercetaarciqut Arctic-armiunek. Inuit Yupiit-llu yurartet, aturtet, pinguartet-llu piciqut tamaani.

Allaniviit amllessiyaanrilata makut quyurtaaliyaryulriit imirisqumaaput pinritevkenaki kalikamek uum aalianek utercellukullu April 1, 1980 -rpailgan. Imirillrem quyurtellrianun ilagautnaluni akiliutekai yuinaat tallimaugut yug'em ataucim akiliutekaa tua-i akiliutnguarkauluni pellugpailgata arenret yuinaq qula cipluku piciurcimariilran kinguani uitavigkiuruciarput. Uitavigkiurutelput piciuruciacetun nallunrirciqaput May 1, 1980 -mi, cali-llu qaillun ayallerkaq nallunairturciqerput taum tungiini. Cali umyuaqekiu man'a Denmark-aam alerqutii, cali-llu Greenland-aam, yuk picirkiurumauq tamaavet nunatellria nunacesauutengqerresqumaluni nutaramek kemyunarqellriamek.

Major Eben Hobson
Chairman

Inuit Circumpolar Conference
Nuuk, Greenland

Quyurtaalriit ilaliryugyaaqanka maa-irpak 1980 Inuit Circumpolar Conference-aqatalriit Nuuk, Greenland-aami. Tuyuusqua kalikanek imirarkanek piciurtengnaqissuutnek.

Atren _____ _____
Qanercuutevet Naaqutii

Uitaviin _____ _____ _____
Tumyaraq Nuna Nunarpak

Wiinga ekumaunga Yupiit pingnaqsaraitnun. Aa-ang____ Qang'a ___

Aa-angaaquvet, atra Yupiit pingnaqsaraitnun igausgu _____

Caucin tuani Yupiit pingnaqsaraitni cauga? _____
Member: Board Member: Officer:

Pingnaqsaramta pisqumaatnga. Aa-ang ____ Qang'a ____

Qangaaquvet calalten Alaskami, Canada-mi wall' Greenland-aami igauski: _____

Una kalikaq uterceskiu April 1, 1980 -rpailgan.



КОНФЕРЕНЦИЯ ИНУИТОВ /ЭСКИМОСОВ/ ПРИПОЛЯРНЫХ ОБЛАСТЕЙ
28 июня - 1 июля 1980 года
Нуук /Годтаб/, Гренландия

ОБЪЯВЛЕНИЕ

Я, майор Эбен Хопсон, Председатель, имею честь объявить, что очередная Конференция 1980 года инуитов /эскимосов/ приполярных областей будет проведена 28 июня - 1 июля 1980 года в Нууке, Гренландия. Мы с удовольствием сообщаем, что в результате голосования Парламента новое автономное /гомрульное/ правительство Гренландии, возглавляемое премьер-министром г-ном Йонатаном Мотцфельдтом, считая нашу Конференцию весьма важным событием, приглашает нас собраться в их стране.

Исполнительный Комитет представит собравшимся доклад о своей деятельности на основе резолюций, принятых на Конференции 1977 года инуитов /эскимосов/ приполярных областей, проведенной в Барроу, Аляска.

Уполномоченные делегаты от региональных и национальных организаций инуитов на Аляске, в Канаде и в Гренландии /по 18 делегатов от каждого из этих трёх больших регионов, трёх инуитских народов/ получат проект Хартии, объявляющей о создании постоянной приполярной организации.

В секциях Конференции мы обсудим следующие проблемы и вопросы:

- культурное наследие;
- техническое оснащение стойбища и его прогресс;
- образование и инуитский язык;
- защита природы и регулирование охоты;
- развитие арктических ресурсов в настоящем и будущем;
- здравоохранение и благосостояние;
- транспорт и связь в Арктике.

Инуиты-мастера народных промыслов организуют в Национальном Музее Гренландии выставку "Культурное наследие инуитов", в которую войдут как изделия современных мастеров, так и их предшественников. Будут показаны фильм и слайды о коренных обитателях Арктики. Во время нашего пребывания в Нууке инуиты-танцоры, певцы и актеры покажут нам свое искусство.

Размещение участников Конференции в Нууке - ответственная задача, поэтому абсолютно необходимо, чтобы каждый желающий принять участие в Конференции известил нас об этом, заполнив и переслав нам прилагаемую анкету не позднее 15 апреля 1980 года. Регистрационный взнос равен 100 долларам с каждого участника и должен быть уплачен в течение 30 дней с того момента, как вы получили подтверждение об этом до 15 апреля 1980 года, и этому же времени мы сообщим вам подробную информацию о маршруте. Исключительно важно помнить, что по законам Дании, составной частью которой является Гренландия, лицо, въезжающее в Гренландию, должно иметь на руках непросроченный, действительный паспорт.

Майор Эбен Хопсон,

Председатель.

КОНФЕРЕНЦИЯ ИНУИТОВ /ЭСКИМОСОВ/ ПРИПОЛЯРНЫХ ОБЛАСТЕЙ

Нуук, Гренландия

Я желаю принять участие в Конференции 1980 инуитов /эскимосов/ приполярных областей в Нууке, Гренландия. Будьте добры прислать мне регистрационные материалы.

Ф.И.О._____.Номер телефона_____.

Адрес_____
Страна Область/Край Город Улица

Я являюсь членом организации инуитов /эскимосов/. Да____Нет____.
Если "да", укажите название организации:_____.
Мой статус в организации. Член_____Член руководства_____.
Моя организация одобрила мое участие:_____Да_____Нет.
Если Вы не член организации инуитов /эскимосов/, укажите, каким образом и как давно Вы связаны с Арктикой_____
_____

Анкета должна быть возвращена не позднее 15 Февраля 1980 года.

INUIT CIRCUMPOLAR KONFERENCE

28 Juni - 1 Juli 1980

Nuuk (godthaab) Grønland

Det er mig en @re og fornøjelse at meddele at Inuit Circumpolar Konferencen 1980 skal holdes i Nuuk, Grønland fra den 28 Juni til 1 Juli 1980. Det er os en gl'de at den nye Hjemmestyre Regering ved Parliamentets valg under ledelse af premierminister Jonathan Motzfeldt har inviteret denne betydningsfulde konference til at møde der.

Den Executive Bestemmelses Komite vil give rapport til Konferencen om det framskridt der er fundet sted siden resolutionerne ved Inuit Circumpolar Konferencen i Barrow, Alaska i 1977.

De officielle deltagere fra regionale and nationale Inuit organisationer i Alaska, Canada og Grønland (18 personer fra hver nation) vil modtage et foreslaaet document for oprettelsen af en permanent Circumpolar Organisation.

Vi vil i smaa grupper diskutere problemer og resultater paa omraader som:

Kultur og Arv
Udsteds Teknologi og Udvikling
Undervisning og Inuit Sproget
Milieu Bevarelse og Dyrebeskyttelse
Eksisterende og Fremtidig Arktisk Naturkilde Udvikling
Arktisk Transport og Forbindelse

Inupiat kunstnere vil udstille nogle af deres arbejder og Inuit kunstgenstande vil blive udstillet i Grønlands National Museum. Film og lysbilleder vil blive vist. Inuit dansere, sangere, og skuespillere vil give mange opvisninger under besøget i Nuuk.

Der er yderst begr@nsede hotelmuligheder for konferencens deltagere, saa derfor er det nødvendigt for alle der ønsker at deltage at vise deres interesse ved at returnere det vedh@ftede postkort ikke senere end 1 April 1980. Registreringsbeløbet er $100 pro persona, og maa betales inden 30 dage fra hotelreservationen er bekr@ftet. Reservationen vil blive bekr@ftet inden 1 Maj 1980 og endelig oplysning om transport ruter vil blive givet paa det tidspunkt.

V@r venlig at huske at lovene for Danmark, inklusiv Grønland, kr@ver at enhver deltager der rejser ind i grønland har et g@ldende pas.

Borgmester Eben Hopson

Formand

INUIT CIRCUMPOLAR KONFERENCEN

Nuuk, Grønland

28 Juni - 1 Juli 1980

Jeg er interesseret i at deltage i Inuit Circumpolar Konferencen i Nuuk, Grønland i 1980. V@r venlig at sende mig registrerings form osv.

Navn:_____Telefon_____

Adresse:_____

Gade/Vej By Stat/Provins/Omraade

Jeg er medlem af en Inuit Organisation Ja_____Nej_____

Hvis ja, n@vn organisationen _____

Din stilling i organisationen: medlem_____Bestyrelsesmedlem_____

formand_____andet_____

Hvis nej, gør rede for Arktisk tilknytning_____

_____

Tilbagesend dette kort inden 1 April 1980.

INUIT CIRCUMPOLAR CONFERENCE
June 28 - July 1, 1980
Nuuk, (Godthab), Greenland

It is my honor and privilege to announce the 1980 Inuit Circumpolar Conference to be held in Nuuk, Greenland, on June 28 - July 1, 1980. We are pleased that the new Home-Rule Government by vote of the Parliament, under the leadership of Premier Jonathan Motzfeldt has invited this important convention to meet there.

The Executive Resolutions Committee will report to the Convention on the progress achieved since resolutions were adopted by the 1977 Inuit Circumpolar Conference in Barrow, Alaska.

The official delegates from regional and national Inuit organizations in Alaska, Canada and Greenland (18 persons from each nation) will receive a proposed Charter for the establishment of a permanent circumpolar organization.

We will in workshops discuss the problems and issues in the areas of:

- Cultural Heritage
- Village Technology
- Education and Inuit Language
- Environmental Protection and Game Management
- Existing and Projected Arctic Resource Development
- Health and Welfare
- Arctic Transportation and Communication

Inuit Artistic people will display some of their works and the history of Inuit heritage will be exhibited in the National Museum of Greenland. Film and slides in and around the people of the Arctic will be shown. Inuit dancers, singers, and actors will offer many performances during our stay in Nuuk.

There are extremely limited accomodations for convention participants; therefore, it is absolutely necessary for everyone wishing to attend indicate their interest by returning the attached postcard no later than April 1, 1980. The registration fee will be $100.00 per person, and must be paid within 30 days of confirmation of accomodations. Accomodations will be confirmed by May 1, 1980, and definite information about transportation routes will be provided at that time. Please remember that the laws of Denmark, including Greenland, require any person entering Greenland to have a currently valid Passport.

MAYOR EBEN HOPSON,
CHAIRMAN

INUIT CIRCUMPOLAR CONFERENCE
Nuuk, Greenland

I am interested in attending the 1980 Inuit Circumpolar Conference in Nuuk, Greenland. Please send me registration materials.

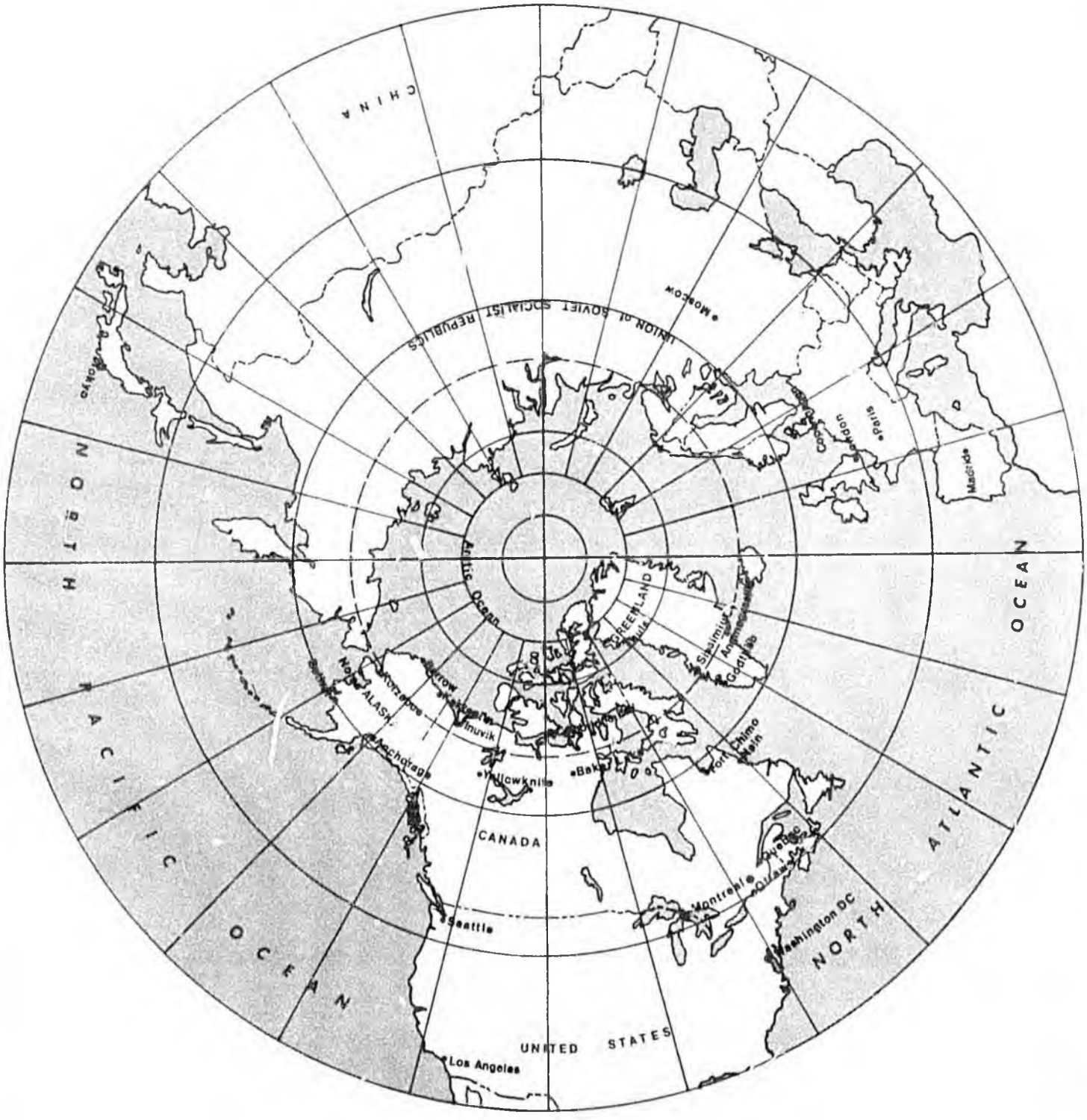
Name _____ _____
Telephone

Address _____
Street City State/Province/Territory

I am a member of an Inuit Organization. Yes_____ No_____
If yes, name of organization: _____
Position in Organization: Board Member: Member: Officer:
My organization has endorsed my participation: Yes_____ No_____

If no, state Arctic experience: _____

Return this card no later than April 1, 1980, to:
Mayor Eben Hopson, Chairman
Inuit Circumpolar Conference
P.O. Box 570
Barrow, Alaska 99723


CHINA
UNION OF SOVIET SOCIALIST REPUBLICS
Moscow
Tokyo
London
Paris
Madrid
NORTH PACIFIC OCEAN
Arctic Ocean
GREENLAND
Thule
Alert
Eureka
Resolute
Cape Dorset
Goose Bay
Nome
ALASKA
Barrow
Inuvik
Anchorage
Yellowknife
Baker Lake
Fort Chimo
CANADA
Seattle
Montreal
Ottawa
Quebec
Washington DC
NORTH ATLANTIC OCEAN
UNITED STATES
Los Angeles

HJR

10

COMMITTEE REPORT

SENATE

FURTHER: None

2/21/79

Date: 2-22-79

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had HJR 10
Local Boundary Commission Recommendation I of January 23, 1979 for annexation of territory to the City of Kodiak

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

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Patrick Rooney
Tom Kelly
Carlton Stumpfhauser

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Carlton Stumpfhauser
CHAIRMAN

Do Pass

S 60 (Rev. 12/78)

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Mike Colletta
Senator Ja'mer Kerttula
Senator John Sackett
Senator M.E. Dankworth
Senator Pete Meland
Senator Bill Sumner
Senator Robert Ziegler
Senator W.E. Bradley
Senator Bettye Fahrenkamp
All Interested Parties

FROM: Arliss Sturgulewski
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 22, 1979

1:30 p.m. SB 2 - An Act relating to the Comprehensive Recycling and Reduction of Litter and Imposing a Litter Reduction Assessment; and providing for an effective date.

Added HJR 10
& HCR 7 AM

Committee Log Book - 1979

Tape Number 1

SENATE C/RA
Committee

Side Number 1

Dates 2/22/79 to

Bill Numbers Discussed

HJR 10	HCR 7,am	SB 2						

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2/22/79 1:33	0002		Chairman Sturgulewski called Hearing to order.
	0019	HJR 10	(Senators Mulcahy & Stimson Absent)
	0019	HCR 7,am.	COMMITTEE "DO PASS"
	26	SB 2	Chairman Sturgulewski
	32 37		Sen. Kelly, Motion for CS Chairman Sturgulewski
	40 41		Recess/CS handouts given audience Chairman - call back to order.
	79 157		Senator Colletta, Sponsor Sen. Sturgulewski
	160 166		Commissioner McAnerney, Dept. C/RA (from audience) Eric Lee, Director, Div. Community & Rural Dev.)
	182 186		Chairman Sturgulewski Eric Lee
	270 278		Sen. Rodey Mr. Lee
	294 302		Sen. Rodey Chairman Sturgulewski
	313 316		Mr. Lee Sen. Rodey
	317 318		Mr. Lee Chairman Sturgulewski
	320 334		Mr. Lee Sen. Kelly
	337 341		Mr. Lee Chairman Sturgulewski
	343 392		Mr. Lee Christine Foster
	394 401		Virginia del Piaz Ms. del Piaz
	504 505		Chairman Sturgulewski Senator Kelly

506 Ms. Piaz
511 Chairman Sturgulewski
513 Sen. Colletta
546 Chairman Sturgulewski
547 Sen. Rodey
559 Sen. Colletta
567 Sen. Rodey
582 Sen. Colletta
598 Sen. Rodey
599 Sen. Colletta
607 Sen. Rodey
611 Sen. Sturgulewski
613 Mr. Mitch Gravo/ Municipality of Anchorage
644 Chairman Sturgulewski
645 Sen. Rodey
649 Sen. Sturgulewski
653 Ron Murphy
665 Sen. Sturgulewski
674 Mr. Murphy
759 Sen. Kelly
671 Mr. Murphy
766 Sen. Kelly
768 Mr. Murphy
778 Sen. Kelly
785 Mr. Murphy
804 Sen. Sturgulewski
805 Sen. Rodey
806 Mr. Murphy
809 Sen. Rodey
810 Sen. Kelly
811 Mr. Murphy
824 Sen. Rodey
826 Mr. Murphy
843 Sen Rodey
844 Mr. Murphy
846 Sen. Sturgulewski
849 Mr. Murphy
861 Sen. Sturgulewski
865 Mr. Don Dickey (Alaska Chamber of Commerce)
949 Sen. Sturgulewski
950 Sen. Kelly
958 Mr. Dickey
963 Sen. Rodey
966 Mr. Dickey
970 Mr. Murphy (from audience)
971 Mr. Dickey
981 Sen. Kelly
983 Mr. Dickey
990 Sen. Sturgulewski
997 Mr. Dickey
999 RECESS
3:30 Meeting called to order
1002 Commissioner Ernie Mueller (Dept. of Environmental Conservation)
Plus Jon Tillinghast, from Dept.
13 Mr. Tillinghast
23 Sen. Sturgulewski
27 Commissioner Mueller
30 Sen. Sturgulewski
31 Mr. Mueller
60 Sen. Rodey
68 Commissioner Mueller
69 Mr. Tillinghast
74 Sen. Kelly
78 Commissioner Mueller
84 Sen. Sturgulewski
92 Sen. Kelly
94 Commissioner Mueller
97 Sen. Kelly
98 Commissioner Mueller
99 Sen. Sturgulewski
101 John Messenger (Acting Commissioner, Dept. of Revenue)
134 Sen. Sturgulewski
138 Mr. Messenger
142 Sen. Sturgulewski
144 Mr. Messenger
145 Sen. Kelly
147 Mr. Messenger
152 Sen. Kelly
153 Sen. Sturgulewski
160 Sen. Rodey
163 Sen. Kelly
164 Sen. Sturgulewski/Sen. Kelly
166 Mr. Messenger
169 Sen. Rodey
171 Sen. Sturgulewski
175 Sen. Kelly
1179 ADJOURNED 3:50 p.m.

HJR
39

COMMITTEE REPORT

SENATE

FURTHER: None

4/24/79

Date: 4-24-79

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had HJR 39
Urging the President and Congress of the United States to retain the federal General Revenue Sharing Program

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 [ ] new title

and recommends _____

[ ] 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:

_____
CHAIRMAN

S 60 (Rev. 12/78)

4-24-79

Committee Log Book - ~~1985~~

Tape Number 1

Side Number

Sen. C/RA
Committee

Dates 4-24-79 to

Present - Chmn Sturgulewski & Senators Kelly & Mulcahy

Absent - Sen. Stimson & Rodey

Bill Numbers Discussed

HJR 39									

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30		HJR 39	Com. Moved to "Do Pass"

HJR

62

COMMITTEE REPORT

SENATE

FURTHER: Finance

3/13/80

Date: 3-7-80

Mr. President:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HJR 62

Alaska Power Authority, and incurring of revenue bond indebtedness of the Alaska Power Authority for Tyee Lake hydroelectric generating project near Petersburg & Wrangell

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 [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Patrick Rooney

Bob Mulcahy

Tim Kelly

MEMBERS HAVING OTHER RECOMMENDATIONS:

Peter Sturgulewski

CHAIRMAN

S 60 (Rev. 12/78)

Committee Log Book - 1980

Tape Number XX

SENATE C/RA

Committee

Side Number 1

Dates 3/27/80 to

PRESENT: Senators Kelly, Mulcahy, Stimson, Rodey and Chairman Sturgulewski

Bill Numbers Discussed

SB 389	SB 408	HJR 62							

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/27/80 389	005	SB 389	Chairman Sturgulewski overview (received testimony
			but did not put bill up for action as CS not
			yet received.
	084		Mary Ross
	221		Vivian Lovelace
	269		Carl Hagerup
	435	HJR 62	Sen. Kelly
	450		Bob Speed, AA to Rep. Gardiner
	483		Sen. Sturgulewski
			Bill was passed out with no objections
	540	CSSB 408	Sen. Sturgulewski
	618		Sen. Mulcahy Moved "CS" do pass w/rec.
			Sen. Sturgulewski "Do Pass" // no objections
	668		MEETING ADJOURNED

Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

TO:

Senator Bob Mulcahy Vice-Chairman	Senator Jalmar Kerttula
Senator Tim Kelly	Senator Ed Dankworth
Senator Pat Rodey	Senator Bettye Fahrenkamp
Senator Terry Stimson	Senator Don Bennett
Senator Mike Colletta	Representative Terry Gardiner
Senator Brad Bradley	Representative Oral Freeman
Senator Glenn Hackney	Representative Ernie Haugen
Senator Robert Ziegler	Representative Richard Eliason

FROM: Arliss Sturgulewski
Chairman

SUBJECT: Committee Meetings, Capitol Building

Tuesday, March 25, 1980 - 1:30 p.m. (Butrovich Room)

SB 370 - An Act relating to fire prevention.

SB 309 - An Act requiring the preparation of a local government impact statement.

SB 348, 349, 492 - (Part of the Local Government Study Package)

Wednesday, March 26, 1980 - 1:30 p.m. (Beltz Room)

SB 348, 349, 492 - Local Government Study Package Work Session

Thursday, March 27, 1980 - 1:30 p.m. (Butrovich Room)

SB 408 - An Act making a special appropriation to the Department of Community and Regional Affairs for village gardening projects; and providing for an effective date

HJR 62 - An Act relating to the Alaska Power Authority and the incurring of revenue bond indebtedness of the APA for the Tyee Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough.

SB 389 - An Act relating to the senior citizens tax exemption.

Friday, March 28, 1980 - 1:30 p.m. (Governor's Conference Room)

HB 932 - Creating Office of Rural Development and Rural Devlopment Council Joint C/RA meeting (teleconference)

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HJR 62 Tyee & Swan Lakes Hydroelectric Projects

ORIGINAL SPONSOR: Freeman, Haugen, Gardiner & Ellison OTHER SPONSORS: _____

RECEIVED FROM: _____ FURTHER REFERRALS: Finance

HEARING DATE: 2/26/80

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

Eric Yould, Executive Director, Ak. Power Authority

Yould gave the history of the projects and discussed the finances and feasibility of the hydro facilities. Indicated that $500,000 had already been expended in studing the feasibility of the projects (during 1977-78) and that $3.1 Million has been expended on the Swan Lake project and $2 Million on the Tyee.

Estimates indicate it would cost Petersburg $5,000000 extra to convert to electricity.

Yould indicated that in fact it might be a viable alternative to run Tyee to Ketchikan.

It appeared that on the life cycle analysis, Swan Lake is preferable to Mahoney.

The relationship between hydro and development is not always clear but the presence of cheap power can stimulate develpment.

Yould responded to the questions (see attached) asked by the Chairman.

Carney questions the feasibility of having later users share in the major costs of building the hydro projects. Response indicated that there would be potential psycholicial problems in voting on a bond which someone else was going to be paying for. This restriction on a bond might effect its marketability.

COMMITTEE ACTION: Passed bill out.

TAPE # 3 SIDE 1 Footage 0-024

Bill from Mayone

TYEE AND SWAN LAKES HYDRO PROJECTS

AREAS FOR DISCUSSION

Among the projects submitted by the Alaska Power Authority, how do Tyee and Swan Lake rank in terms of priority for funding?

Explanation of the funding approach involved in the projects--you might want to have "subordinated loans" explained.

What community growth rate was calculated in the development of the user and cost figures?

Was the public involved in the discussion of the relative costs of the alternatives explored?

What is the "backup" system requirement? Does it have to be a certain % of the capacity of the main system? And if so, does building a larger hydro facility necessitate a larger diesel backup and therefore increase the costs to the consumer? ✓

More Specific questions

What is the status of the City Creek hydroelectric project in Petersburg and how does it relate to the Tyee project?

Has there been full exploration of the possibility of Tyee serving the Ketchikan community? Or of Swan serving the Petersburg/Wrangell areas? Interties possibilities?

It appears that a factor which may lessen the adverse effect of excess capacity of the Swan Lake facility is the possible sale of power to Louisiana Pacific Corp. HOw likely is this possibility? Have the relative costs to the consumer of carrying the excess capacity anticipated in both these projects been evaluated ? Have the merits of a facility with smaller capacity been fully explored?

Questions generated by 2/25/80 hearing on bill:

Testimony was given that the existing diesel generators are old and will eventually need replacement. Was the cost of this replacement calculated in the cost figures for the hydro projects?

different financial options - service Petersburg/Wrangell - dependent on electrical conversion

Report
to the

ALASKA POWER AUTHORITY

in regard to

the Plan of Finance of
the Tyee Lake Hydroelectric Project

FIRST *Southwest* COMPANY
Anchorage, Alaska
Dallas, Texas

INTRODUCTION

The Thomas Bay Power Commission, having made the decision to discontinue its reliance on the use of diesel electric generation to meet existing and future power demands, has requested the assistance of the Alaska Power Authority (the "APA") in the financing and construction of the Tyee Lake Hydroelectric Project (the "Project") as a capital project of the State. The Thomas Bay Power Commission is composed of the Cities of Petersburg and Wrangell (the "Cities").

This report is a preliminary analysis of four alternatives containing various combinations of State funding and revenue bond funds. The impact of each alternative on electric costs has been estimated, based upon certain assumptions set forth in the report.

THE PROJECT

The Project is a major hydroelectric generating facility located at Tyee Lake, approximately 40 miles southeast of the City of Wrangell, Alaska. Tyee Lake is a natural lake perched 1,370 feet above the Bradfield Canal.

The Project,Stage 1 of two stages, consists of a ten foot diameter unlined tunnel, 6,785 feet in length, between Tyee Lake and Bradfield Canal, a gate shaft and gate, a surge tank, a steel penstock, a powerhouse containing two 10,000 KW impulse turbine-generator sets and a 115 KV transmission line approximately 83 miles in length connecting the Project with the Cities of Wrangell and Petersburg. (See Figure 1.) Stage 2 (a potential future addition) consists in large part of the addition of a dam.

The Project is designed to have an installed capacity of 20,000 KW and a firm capacity of 8,900 KW. It is designed to be capable of delivering 114,100,000 KWH average annual energy and 75,200,000 KWH of firm annual energy.

Robert W. Retherford Associates, a division of International Engineering Company, Inc., concluded in their Definite Project Report dated December, 1979, that the Project "is the most economical means by which the Cities can meet the immediate and future energy requirements of their service areas".

Although the Project output is not expected to be fully utilized for 11 years, the Cities will derive long term benefits from the Project by replacing their diesel generating facilities with power from relatively fixed cost hydroelectric facilities.

THE CITIES

The City of Petersburg, a community located in Southeast Alaska, has a current population of approximately 3,200. Petersburg has total of 7,630 KW installed capacity, 79% of which is diesel generation and 21% of which is hydroelectric generation. During the year ended December 31, 1979, Petersburg sold approximately 19,600,000 KWH and has experienced a load growth of approximately 4.7% per year over the last five years.

The City of Wrangell, located approximately 32 miles from Petersburg, has a current population of approximately 3,200. Wrangell has a total of 7,750 KW primary installed capacity, all of which is diesel generation. During the year ended December 31, 1979, Wrangell sold approximately 11,600,000 KWH and has experienced a load growth of

approximately 5% per year over the last five years.

PROPOSED PLAN OF FINANCE

It is proposed that APA revenue bonds be issued pursuant to an Indenture of Trust between APA and a trustee bank. From the proceeds of this bond issue and a proposed subordinated State loan, the Project would be constructed. APA would own and operate the Project and sell power to the Cities pursuant to a Wholesale Power Sales Agreement. APA would covenant to set its wholesale rates at the level projected to be necessary to generate gross revenues at least equal to (a) 1.25 times debt service on the Bonds, (b) projected operation and maintenance expenses of the Project, and (c) debt service requirements of the State loan. The funds the APA generates from the 25% coverage requirement would be used for improvements and extensions of the Project and to provide funds that could be used to redeem the APA revenue bonds (thus lowering future debt service requirements).

A Reserve Fund equal to average annual debt service requirements and a Contingency Fund equal to 6 months average annual debt service requirements would be capitalized from bond proceeds. The Contingency Fund could be used to pay extraordinary repairs and maintenance on the Project and, if needed, to pay debt service on the Bonds. Both funds would have to be replenished if drawn upon.

The Bonds would be amortized over 40 years with the Revenue and Contingency Funds being used to pay the last 18 months' debt service.

THE NEED FOR STATE ASSISTANCE

The need for State assistance arises when the Project is reviewed from the standpoint of financeability. The long term economic feasi-

bility of the Project appears to be established in that diesel fuel prices are expected to continue rising over time while the costs of capital intensive hydroelectric generating facilities are relatively fixed. The most critical concern in terms of ability to finance the Project in the tax-exempt bond market is the substantial excess capacity that may exist in the early years of Project operation and its adverse effects on electric costs in the short run. In the first full year of Project operation (1985), its firm energy of 75,200,000 KWH will result in significant excess capacity relative to the projected 33,726,000 KWH of energy from diesel generation which the Project would displace in that year. Thus, rates must be increased to the extent necessary to satisfy the debt service requirements attributable to this 41,474,000 annual KWH excess. Although high electric rates are certainly undesirable from the personal financial standpoint of the Petersburg/Wrangell consumer, they also increase the bond market's perceived risk of an obligation in that economic growth in the area may be retarded.

There are three significant factors which together may lessen the adverse effect of excess capacity on the Cities' electric costs. The first factor is the possible sale of a block of power in the distant future to Ketchikan Public Utilities ("KPU"). This sale could only occur after terms of the sale are negotiated following elimination of excess capacity in the Swan Lake Project and after a transmission line is constructed between the three electric systems (see fig. 2). The sale, in any case, could only assist the Project in the long run.

The second factor is the potential increased demand from conversion of oil-fired residential heating in the Cities to the use of electric

heatpumps. The extent and timing of such conversion cannot now be projected.

The third factor which ameliorates the adverse cost effects of excess capacity is a loan from the State, repayment of which would not be required until after full capacity is reached. State assistance in the form of a subordinate loan is justified in that the ability to obtain conventional financing for the Project under reasonable terms is enhanced. The State loan would lower electric rates in the following ways:

(1) Interest payments on the loan would be partially deferred and principal repayment fully deferred until full capacity is attained, thereby minimizing the adverse rate effects of excess capacity in the early years of Project operation.

(2) The loan is subordinated to the APA revenue bonds, thus enabling the APA to obtain a more favorable interest rate than would otherwise be possible.

(3) The 25% debt service coverage requirement would not be applied to the loan debt service requirements, thus resulting in significant rate relief.

The terms of the loan as proposed approximate the terms of the Sitka-Green Lake loan and are described in more detail in Appendix B. The assumed 7% interest rate approximates the State's own cost of borrowing. Although the actual interest rate could range from 5% to 7%, the more conservative rate was used in the analysis.

ANALYSIS OF STATE FUNDING ALTERNATIVES

Four alternative financings, assuming four different levels of State subordinated funding, are illustrated in Appendix B, based upon

the assumptions set forth in Appendix A. The estimated average wholesale cost per KWH for each alternative are set forth below:

		Estimated Average Cost per KWH (1985)	(1986)	(1991)	(1996)
I.	No State Loan*	20.7¢	20.2¢	14.4¢	12.0¢
II.	$ 5,000,000 State Loan	19.0¢	18.7¢	13.7¢	11.8¢
III.	$10,000,000 State Loan	17.4¢	17.1¢	13.0¢	11.6¢
IV.	$15,000,000 State Loan	15.8¢	15.5¢	11.0¢	9.7¢

The estimated average retail cost per KWH for each alternative and for each city are calculated in Appendix C and set forth below:

Petersburg

		Estimated Average Cost per KWH (1985)	(1986)	(1991)	(1996)
I.	No State Loan*	16.1¢	16.4¢	14.2¢	13.2¢
II.	$ 5,000,000 State Loan	15.1¢	15.5¢	13.7¢	13.0¢
III.	$10,000,000 State Loan	14.1¢	14.5¢	13.1¢	12.9¢
IV.	$15,000,000 State Loan	13.2¢	13.5¢	11.7¢	11.4¢

Wrangell

		Estimated Average Cost per KWH (1985)	(1986)	(1991)	(1996)
I.	No State Loan*	24.7¢	24.2¢	18.8¢	16.8¢
II.	$ 5,000,000 State Loan	23.1¢	22.6¢	18.0¢	16.6¢
III.	$10,000,000 State Loan	21.5¢	21.0¢	17.3¢	16.4¢
IV.	$15,000,000 State Loan	19.9¢	19.4¢	15.3¢	14.5¢

*Without a State loan, the actual interest rate would be higher than the assumed rate, thus resulting in electric costs higher than the estimates set forth here.

The retail costs for Petersburg are materially lower than the Wrangell costs because of the low cost of hydroelectric facilities presently existing in Petersburg. Although all of the above cost estimates appear high, they are reasonable in comparison to future diesel generated energy if the price of diesel fuel continues to increase faster than the rate of inflation.

The assumptions used to derive the above cost estimates (set forth in more detail in Appendix A) are, in our opinion, conservative but realistic. Conservatism is required in any analysis involving the question of financeability. Any changes in the assumptions will have a material effect on the projections. In particular, the assumptions as to future Petersburg/Wrangell demand, the levels of inflation of construction costs and operating expenses and the terms of the State loan yet to be determined are all assumptions that have a material bearing on the results.

SUMMARY AND CONCLUSION

The Project appears to be needed by the Cities of Petersburg and Wrangell in order to discontinue their present reliance on diesel electric generation and to meet their future power needs. The Project appears to be technically and economically feasible. The excess capacity of the Project in its early years will increase electric costs during that period, thus raising the question of financeability. Although some of that excess capacity may be used to produce power to sell to Ketchikan Public Utilities at some time in the distant future and some conversion of oil-fired residential heating to electric heatpumps may occur, a State loan will mitigate the adverse cost effects of excess capacity if repayment of the loan is delayed until full capacity is reached.

We therefore recommend that at the very minimum a $10,000,000 State loan in support of the Project be authorized and that serious consideration be given to a $15,000,000 or greater loan amount to insure a more favorable financing in light of the high electric costs during the early years of Project operation. We believe that a large State loan is justified in light of the following:

(1) Without substantial State assistance, the Project, in our opinion, cannot presently be financed in the tax-exempt bond market at a reasonable rate of interest.

(2) A large loan would provide funding for the Project during the early stages of the construction period. The loan would provide timing flexibility for the revenue bond financing, thus enhancing APA's ability to obtain the lowest possible interest rate.

(3) State assistance in the form of a large subordinated loan would strengthen the overall Project financing, thus increasing assurance of repayment of both the APA revenue bonds and the State loan.

Report
to the

ALASKA POWER AUTHORITY

in regard to

the Plan of Finance of
the Swan Lake Hydroelectric Project
of the
Ketchikan Public Utilities System

FIRST *Southwest* COMPANY
Anchorage, Alaska
Dallas, Texas

INTRODUCTION

The City of Ketchikan, Alaska, having made the decision to discontinue its reliance on the use of diesel electric generation to meet existing future power demands, has requested the assistance of the Alaska Power Authority (the "APA") in the financing of its Swan Lake Hydroelectric Project (the "Project").

A plan of finance is proposed for the Project and a preliminary analysis of four alternatives containing various combinations of State funding and revenue bond funds is set forth. The impact of each alternative on electric cost has been estimated, based upon certain assumptions set forth in the report. The report concludes with our recommendation and justification thereof.

THE PROJECT

The Project is a major hydroelectric generating facility located at Swan Lake, approximately 22 air miles northeast of Ketchikan near the north end of Carroll Inlet. Swan Lake, a low-elevation lake surrounded by mountains, drains westward through a narrow gorge into Carroll Inlet via Falls Creek. (See Figure 1.)

The Project consists of a 190 foot high thin arch concrete dam located downstream from the outlet of Swan Lake, a concrete lined power tunnel leading to a powerhouse, a permanent port facility, access roads connecting the dam, powerhouse and port facility, a switchyard and approximately 30.5 miles of 115 KW wood pole transmission lines.





Petersburg-Wrangell-Ketchikan Area Location Map

SCALE IN MILES

0 5 10 20 30 40

Figure 1

PETERSBURG-WRANGELL-KETCHIKAN AREA

The Project is designed to have an installed capacity of 22,000 KW and a dependable capacity of 18,900 KW delivered to the load center. It is designed to be capable of delivering 85,400,000 KWH average annual energy and 66,700,000 KWH of firm annual energy to the load center.

R. W. Beck and Associates, Engineers and Consultants, concluded in their Evaluation Report dated June 1978 that the "Project is technically and environmentally feasible." Nevertheless, R. W. Beck's Demand and Energy Forecast dated January 11, 1980 indicates that "it appears that even if electrical loads grow at the highest projected rate in future years, there would still be significant amounts of both firm and secondary energy available for sale during the initial years of Project operation."

Booz, Allen & Hamilton, Inc., Consultants, have reviewed the Project reports and generally concur with the findings as to technical and economic feasibility. Their assessment is contained in Appendix A.

The central factor emphasized in all of the economic feasibility reports is the long term benefits KPU will derive by replacing its diesel generating facilities with relatively fixed cost hydroelectric facilities.

THE CITY

The City of Ketchikan, a community located in Southeast Alaska has a current population of approximately 8,600. Ketchikan Public Utilities ("KPU"), the municipally-owned public utility system, operates the electric, water and telephone system and provides electricity for a service area with a population of approximately 12,600.

The Project is designed to have an installed capacity of 22,000 KW and a dependable capacity of 18,900 KW delivered to the load center. It is designed to be capable of delivering 85,400,000 KWH average annual energy and 66,700,000 KWH of firm annual energy to the load center.

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The central factor emphasized in all of the economic feasibility reports is the long term benefits KPU will derive by replacing its diesel generating facilities with relatively fixed cost hydroelectric facilities.

THE CITY

The City of Ketchikan, a community located in Southeast Alaska has a current population of approximately 8,600. Ketchikan Public Utilities ("KPU"), the municipally-owned public utility system, operates the electric, water and telephone system and provides electricity for a service area with a population of approximately 12,600.

The existing hydroelectric facilities have produced average annual energy of approximately 63,000,000 KWH and the existing diesel facilities could produce 77,900,000 KWH.

During the fiscal year ended December 31, 1979, KPU sold 72,213,615 KWH and has experienced a load growth of approximately 4.6% per year over the last 10 years.

PROPOSED PLAN OF FINANCE

It is proposed that contract revenue bonds be issued by APA pursuant to an Indenture of Trust between APA and a trustee bank. From the proceeds of this bond issue and a proposed subordinated State loan, the Project would be constructed. Although APA would nominally own the Project when construction is completed, KPU would operate the Project, control its output and would obtain title to the Project through a bargain option to purchase after all obligations have been repaid. APA would enter into a contract with KPU under which KPU would agree, in consideration for its use of the facilities, to timely pay (a) amounts to the trustee equal to the principal and interest on the Bonds; and (b) principal and interest requirements on the State obligation. All payments to be made by KPU pursuant to the Contract would constitute reasonable and necessary operating expenses of KPU. The Indenture of Trust and the Contract must insure that KPU's obligation to pay its reasonable operation and maintenance expenses, including payments due under this contract, has priority over its obligations to make principal and interest payments on any of its other debts. KPU would covenant to set rates projected to be necessary to generate gross revenues at least

equal to (a) 1.25 times the payments under this Contract, (b) projected operation and maintenance expenses and (c) all other debt service payments in the upcoming year. The funds KPU generates from the 25% coverage requirement would be used to finance capital expenditures of the electric, water and telephone system and to provide funds that could be used to redeem the APA contract revenue bonds (thus lowering future debt service requirements).

A Reserve Fund equal to average annual debt service requirements and a Contingency Fund equal to 6 months average annual debt service requirements would be capitalized from bond proceeds. The Contingency Fund could be used to pay extraordinary repairs and maintenance on the Project and, if needed, to pay debt service on the Bonds. Both funds would have to be replenished by KPU if drawn upon.

The Bonds would be amortized over 40 years, with the Reserve and Contingency Funds being used to pay the last 18 months' debt service.

To implement the proposed plan of finance, defeasance of KPU's outstanding revenue bonds may be required.

THE NEED FOR STATE ASSISTANCE

The need for State assistance arises when the Project is reviewed from the standpoint of financeability. The long term economic feasibility of the Project appears to be established in that diesel fuel prices are expected to continue rising over time while the costs of capital intensive hydroelectric generating facilities are relatively fixed. The most critical concern in terms of ability to finance the Project in the tax-exempt bond market is the substantial excess capacity that may exist in the early years of Project operation and its adverse effects on electric cost in

the short run. In 1985, the Project's average annual energy of 85,400,000 KWH, when added to the 63,000,000 KWH from KPU's existing hydroelectric facilities, will result in significant excess capacity relative to the projected 96,000,000 KWH sales. This estimate of sales was prepared by R.W. Beck and Associates in January, 1980 and represents the low load and energy forecast based upon conservative growth assumptions. Thus, rates must be increased to the extent necessary to satisfy the debt service requirement attributable to this potential annual excess of 52,400,000 KWH. Although high electric rates are certainly undesirable from the personal financial standpoint of the Ketchikan consumer, they also increase the bond market's perceived risk of an obligation in that economic growth in the area may be retarded.

There are two significant factors which together may lessen the adverse effect of excess capacity on KPU electric costs. The first factor is the possible sale of a block of power to Louisiana Pacific Corporation ("LPK"). The size of this block of power could range from 5,000,000 KWH to 25,000,000 KWH per year. The exact dimensions of the purchase and the price and terms have yet to be negotiated and will depend on LPK's power alternatives. The actual cost effect will be a function of the amount of power purchased and the differential between the LPK price and KPU's average cost per KWH. Nevertheless, even under the most favorable circumstances, some excess capacity is projected to exist until 1993.

The second factor which ameliorates the adverse cost effects of excess capacity is a loan from the State, repayment of which would not be required until after full capacity is reached. State assistance in the form of a subordinated loan is justified in that the ability to obtain conventional financing for the Project under reasonable terms is enhanced. The State loan would lower electric

rates in the following ways:

(1) Interest payments on the loan would be partially deferred and principal repayment fully deferred until full capacity is attained, thereby minimizing the adverse rate effects of excess capacity in the early years of Project operation;

(2) The loan is subordinated to the APA revenue bonds, thus enabling the APA to obtain a more favorable interest rate than would otherwise be possible;

(3) The 25% debt service coverage requirement would not be applied to the loan debt service requirements, thus resulting in significant rate relief.

The terms of the loan as proposed approximate the terms of the Sitka-Green Lake loan and are described in more detail in Appendix B. The assumed 7% interest rate approximates the State's own cost of borrowing. Although the actual interest rate could range from 5% to 7%, the more conservative rate was used in the analysis.

ANALYSIS OF STATE FUNDING ALTERNATIVES

Four alternative financings, assuming four different levels of State subordinated funding, are illustrated in Appendix C, based upon the assumptions set forth in Appendix B. The estimated average cost per KWH for each alternative are set forth below:

Dam projects win House okay

3/13/80

The Associated Press

JUNEAU — Two multi-million dollar hydroelectric projects in Southeast Alaska received the formal go-ahead from House lawmakers Wednesday.

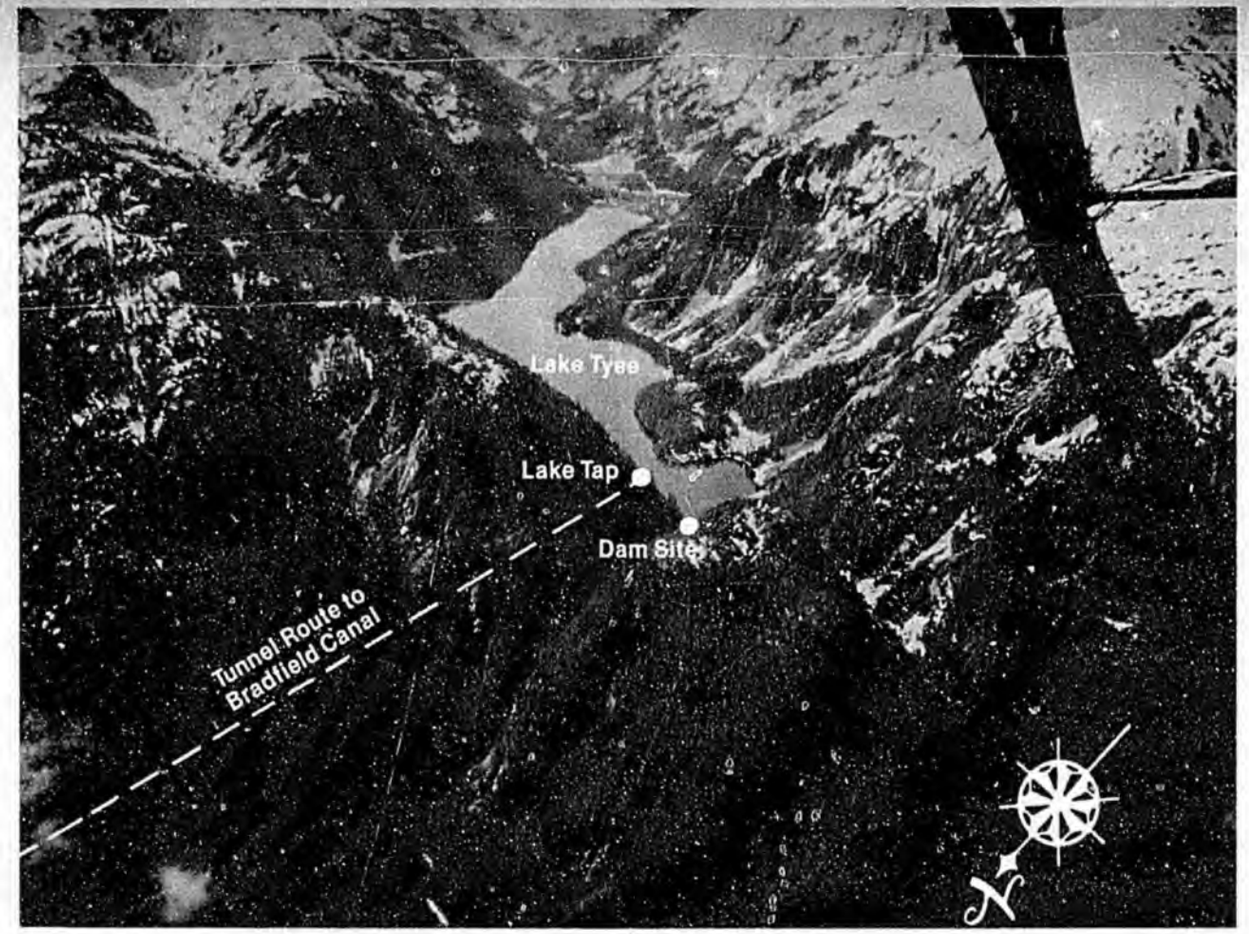
The House unanimously passed a resolution approving the design plans for both the Tyee Lake hydroelectric project near Petersburg and the Swan Lake project near Ketchikan. The resolution now goes to the Senate.

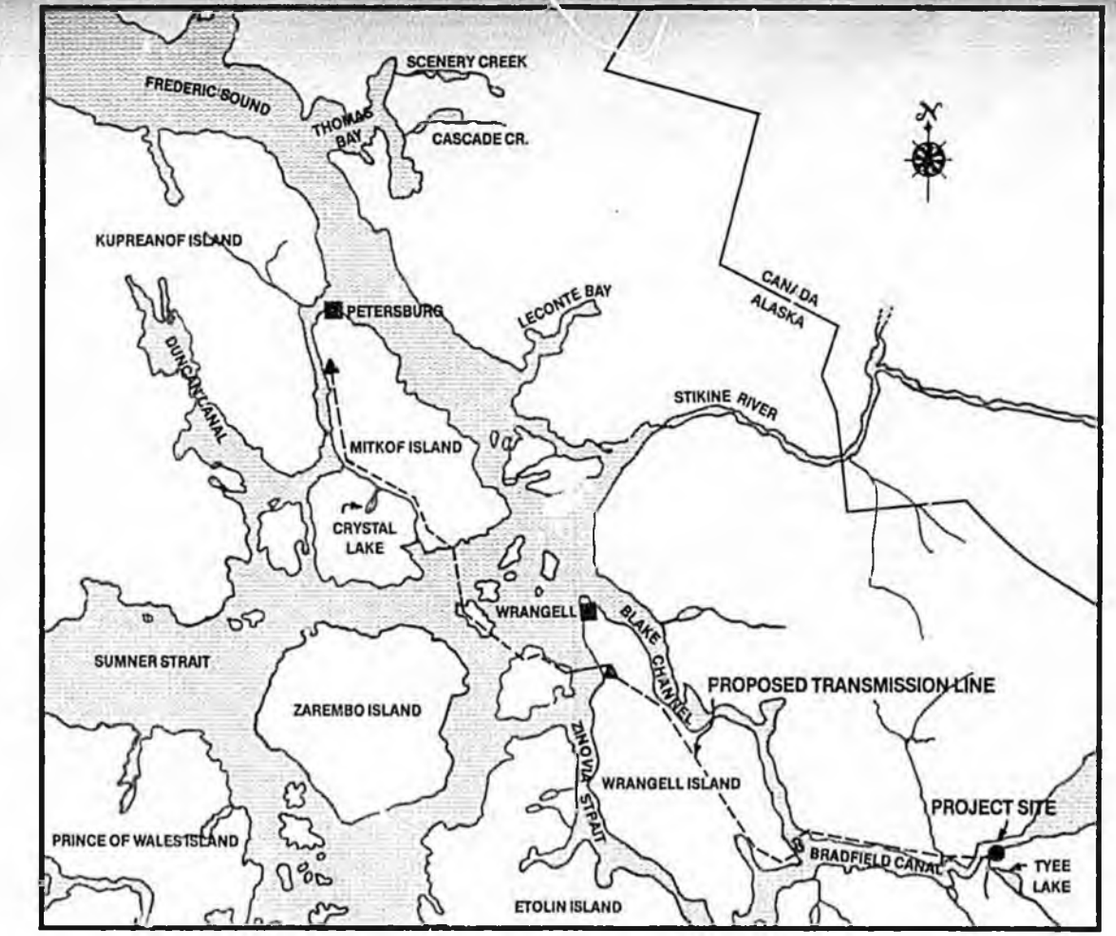
The resolution (HJR 62) authorizes the Alaska Power Authority to proceed with revenue bond sales of up to $70 million for the Tyee project and up to $120 million for the Swan Lake project.

Rep. Oral Freeman, D-Ketchikan, explained to his colleagues that the the Alaska Power Authority already has completed feasibility studies and general design work on the two projects. However, he said state law requires the authority to receive legislative authorization to proceed with bond sales.

Several other state bonding authorities are not required to get legislative approval, although Finance Chairman Russ Meekins, D-Anchorage, said lawmakers are considering a requirement that all bonding authorities get legislative approval prior to issuing bonds.

The Tyee Lake project is to be designed, built, financed and owned by the power authority. The Swan Lake project is to financed by the authority, while it is to be designed and built by the City of Ketchikan under an agreement worked out with the power authority.





TYEE LAKE HYDROELECTRIC PROJECT - PETERSBURG & WRANGELL, ALASKA

TYEE: Looking Toward The Year 2000 And Beyond

Efforts by the Thomas Bay Power Commission, in conjunction with work being done by the Alaska Power Authority, may result in ample and cheaper electric power for Petersburg and Wrangell residents. The Thomas Bay Power Commission was formed in 1973 to promote and develop dependable hydroelectric power for the area and to discontinue reliance on expensive diesel power generation. Its efforts have focused on the Tyee Lake Hydroelectric Project, located about 40 miles southeast of Wrangell in some of the most rugged wilds of Alaska.

"The Thomas Bay Power Commission originally investigated building a hydroelectric facility at Thomas Bay, but the proposal proved too costly," explains Richard Ballard, chairman of the commission.

Harry Sundberg, secretary of the commission, said they then focused studies on Tyee Lake and turned to the Alaska Power Authority for feasibility studies and engineering assistance.

The Power Authority's investigation indicates that Tyee Lake could free Petersburg and Wrangell from the economic stranglehold of diesel generation, at an investment cost of $53,333,000. This figure approximates the value of taxable property in both Petersburg and Wrangell, which is about $56 million each.

Diesel fuel prices are going nowhere but up. In 1973, the Petersburg utility could produce electricity at a cost of about one cent per kilowatt hour. Today, the same amount costs seven cents per kilowatt hour. The reason is that in 1973, diesel fuel cost the utility 13 cents a gallon; today (January 1980) it costs 87 cents and is skyrocketing almost monthly.

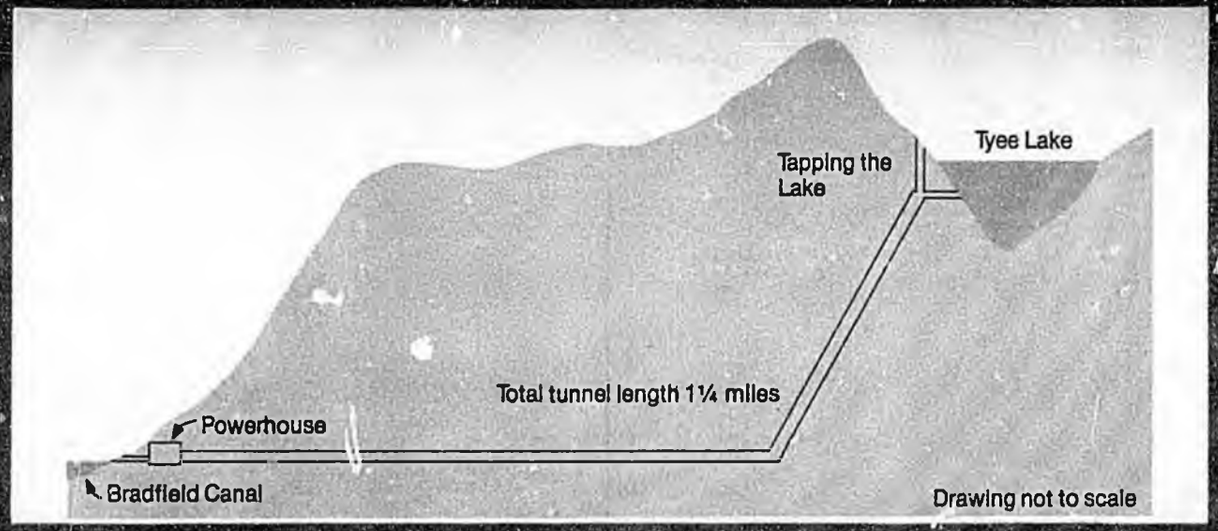
Tyee power will not be cheap during the early years of operation. In fact, for the initial years of operation, Tyee may result in higher utility bills than would otherwise be realized from diesel generation.

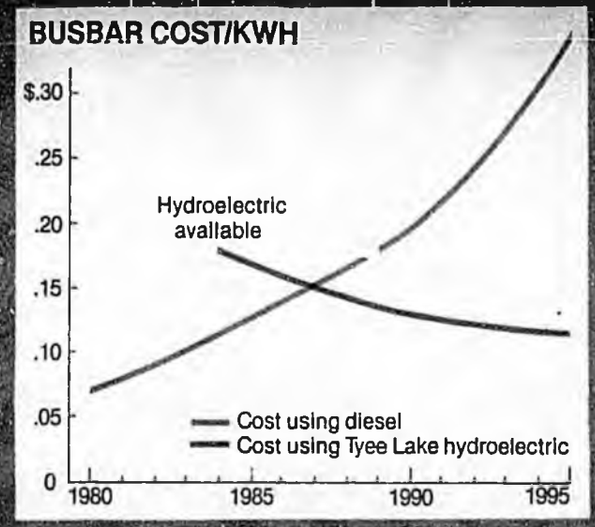
After the excess energy has been fully absorbed by the two communities, however, and during the remainder of the Tyee project life, power costs in Petersburg and Wrangell will be significantly lower than diesel generation.

The beauty of hydroelectric power generation is that once a plant is producing power, energy is derived from falling water and the costs remain relatively constant. For example, electric bills for Petersburg residents already are materially lower than for Wrangell residents because of the existence of hydroelectric facilities in Petersburg.

The hydroelectric potential of Tyee Lake has been recognized for many years. Efforts were made as early as 1921 to build a dam at the Tyee Lake outlet, but the project never materialized.

The Tyee Lake Hydroelectric Project, designed to deliver 20 megawatts of power,





Tyee Lake Hydro-electric Project

would come on line early in 1984 and serve the residents of Petersburg and Wrangell and their service areas through an 83-mile long transmission line, nine miles of which would be under water.

During the first phase of the Tyee project, water drawn from the lake would pass through a 10-foot diameter tunnel into an underground powerhouse containing two turbine generators (there are provisions to add a third turbine about 1995) and then would be released into Bradfield Canal.

Engineering studies conducted by the Alaska Power Authority indicate that the total 20 megawatt output would be fully used within 11 years from the time Tyee goes on line. It is then that Tyee Phase II—a dam at the lake's outlet to raise the water level—would be constructed. Plans are to have the dam and the third turbine generator on line by the year 2000.

Where would the money come from to construct the Tyee Lake Project?

The Alaska Power Authority would issue revenue bonds in cooperation with a trustee bank, as well as receive a loan from the State of Alaska.

The Authority would own and operate the project and supply electricity to Petersburg and Wrangell through wholesale power sales agreements, or by lease agreements with the Thomas Bay Power Commission.

The mile-and-a-quarter long tunnel, above, measuring 10 feet in diameter, will draw water from Tyee Lake into an underground powerhouse containing two turbine generators. The water is released into Bradfield Canal. If tunnel construction begins in mid-August 1981, as planned, it will be completed by May 1982. Below are some of the more than a dozen permits and clearances required for the Tyee Lake project. These must be obtained before even the first shovel of earth can be dug. The Federal Energy Regulatory Commission (FERC) is the agency which issues license for construction.



This graph shows the cost of generating electricity in the Petersburg/Wrangell area. The orange line shows the continued use of diesel power generation based on 1980 fuel prices and escalated at 10 percent per year. The solid blue line represents the intermediate (expected) load growth forecast for the Tyee Lake Hydroelectric Project. The initial costs of Tyee are higher than diesel for the first years of operation. As potential power output is more fully used, the costs go down. This decreasing cost trend would be accelerated if homeowners, faced with rising fuel oil prices, convert to electric heating after Tyee Lake power is available.

SCHEDULE FOR CONSTRUCTION OF TYEE PHASE I

Mid-1980: Site planning at Tyee Lake.
1981-1982: Tunnel excavation at Tyee Lake.
1981: Build transmission line intertie between Petersburg and Wrangell. Construct substations.
1982: Build transmission line between Tyee and Wrangell.
1983: Lay nine miles of submarine transmission cable.
Late 1983-Early 1984: Testing and start-up of facility with power on line early 1984.

Thomas Bay Power Commission
Richard Ballard, Chairman

Alaska Power Authority
Eric Yould, Executive Director

March 1980

ALASKA POWER AUTHORITY

SWAN LAKE HYDROELECTRIC PROJECT

SUMMARY AND

FINANCING STATEMENT

This report summarizes key characteristics of the Swan Lake Hydroelectric Project for the purpose of satisfying requirements of Section 180 of Alaska Statute 44.56.

CONTENTS

Introduction

Project Description

- Existing Capabilities and Projected Demand
- Alternatives Considered
- Environmental Impacts
- Air and Water Quality
- Land Use
- Social and Economic Impacts
- Engineering Considerations
- Economic Feasibility
- Project Costs and Financing

Conclusion

INTRODUCTION

The Ketchikan Public Utilities (KPU) submitted a Federal Energy Regulatory Commission (FERC) license application in February of 1979. Approval of the license for construction is expected by July of 1980. Ketchikan Public Utilities has applied for and received Project loans from the Water Resources Revolving Loan Fund and $3,450,000 in loans from the Power Project Revolving Loan Fund administered by the Power Authority. Loans to date have been principally for the preconstruction costs of Project development and for purchase of equipment to automate the KPU generation control system. The City of Ketchikan has requested that the Alaska Power Authority issue revenue bonds to finance construction of the Project.

The Alaska Power Authority desires to assist KPU by issuing revenue bonds to finance construction, interest during construction and a reserve fund for the Swan Lake Project. The financing will be accomplished through the tax exempt municipal market with security provided only by the merits of the Project and the strength of sales contracts for Project power. A request for $18,000,000 in state assistance in financing construction of the Project has been requested. This amount will permit flexibility in entering the bond market for the remainder of the construction financing needs, diminish the amount of bond indebtedness by $25,000,000, and indicate state support and interest in the Project to the benefit of the overall Project financing. State assistance in the form of a subordinate loan to the Project debt with graduated interest payments and/or deferred principal payments will permit lower cost power in the early years of operation and contribute to the overall security of the Project.

PROJECT DESCRIPTION

The Project site is located at Swan Lake in a remote area approximately 22 air miles northeast of Ketchikan near the northern end of Carroll Inlet. Swan Lake, a low-elevation lake surrounded by mountains, drains westward through a narrow gorge and into Carroll Inlet via Falls Creek. Historical stream gaging records and correlations with nearby basins indicate that the basin yields an average of 335,000 acre-feet of runoff per year. The site is extremely well suited for the development of a hydroelectric generating facility and, based on the optimization studies conducted, a project arrangement has been selected which will permit the maximum economical utilization of the site potential.

The selected Project arrangement will consist of: a 190 foot high thin arch concrete dam located approximately one mile downstream from the outlet of Swan Lake; a 2,280 foot long concrete lined power tunnel leading to a powerhouse located just north of the mouth of Falls Creek near tidewater; a permanent port facility located at tidewater approximately 1,000 feet north of the powerhouse site; about one mile of access roads connecting the port facility, powerhouse and dam; a switchyard located just north of the powerhouse; approximately 30.5 miles of 115 KV wood pole transmission line crossing Carroll Inlet from the powerhouse site with a single overhead span, extending south along the west side of the Inlet, and then west across the northern tip of George Inlet up the White River Valley and past Ward Cove and then south to the proposed substation site near the existing S. W. Bailey Diesel Plant. The Project will have an installed capacity of 22,000 KW, will operate under an average gross head of 311 feet and have a dependable capacity of 18,000 KW delivered to the load center. It will be capable of delivering 85,400,000 kwh average annual energy and 66,700,000 kwh of firm annual energy to the load center. For the scheduled on-line date of November 1983, the Project is estimated to have Total Capital Requirements of $107,000,000 including inflation, interest and issue costs.

Existing Capabilities and Projected Demand

The KPU system includes 8,550 KW of existing hydroelectric capacity which produces 62.7 Gwh of energy, and 17,320 KW of diesel generation capacity to supplement all additional demand. Peak power and average annual energy forecasts for Ketchikan are:

Year	Peak Power MW	Annual Energy kwh X 106
1975	14.5	76.6
1980	17.3	97.7
1985	22.5	124.7
1990	28.0	158.0

The capacity and energy of Swan Lake will be fully utilized by 1989 if the 10 year historic load growth of 5%/year is maintained. All excess energy may be marketed to the Louisiana Pacific Ketchikan Pulp Mill through a power sales contract, in which case the Project power may be fully utilized upon first operation.

Alternatives Considered

Lake Grace, Mahoney Lakes, and continued use of diesel generation were alternatives considered to the Swan Lake Project. Lake Grace is larger than Swan Lake and has potential environmental constraints that would preclude development since it is located in a restricted land status area. Mahoney Lakes, which has roughly 1/2 the power and energy potential of Swan Lake, was determined to be too samll to meet long term needs of the Ketchikan system. Continued dependence on diesel generation is determined to be the least feasible of all alternatives.

Environmental Impacts

The environmental impacts of the Swan Lake Project and associated transmission line are principally associated with the construction activity itself, and the visual distractions the completed system will have on the presently undisturbed surroundings. Over the long run, imbalances or alterations in the existing wildlife and fishery ecosystems of the area are not anticipated. There are no endangered species known to inhabit the Project area.

Air and Water Quality

Operation of the Project would not degrade air quality. However, some temporary impacts on air quality may be experienced during construction, due to exhaust and crankcase emissions from vehicles and construction equipment and the dust generated by drilling and movement of equipment. Noise levels will increase due to blasting, machinery operation, and other construction activities. Project operation will result in some increased noise, particularly in the vicinity of the powerhouse. However, this impact is expected to be minor.

Construction of the dam and dikes would introduce sediment into Falls Creek. Other surface waters may experience increased sediment loads due to clearing and earth moving operations along the transmission line route and quarrying and land clearing operations in other Project areas. During Project operation fluctuations in the water level of Swan Lake may cause soil erosion which would introduce sediments into Falls Creek.

Land Use

Direct impacts on land use would stem from the inundation of 450 acres of land presently covered with shrub and the removal from alternative uses of 240 acres along the transmission line routes. The impact of the Project on regional land use patterns is not expected to be severe. The inundated acres represent an addition to an existing reservoir. The main transmission line would be constructed in a route containing limited timber and recreational uses. The existence of the line would interfere with the area's scenic and aesthetic qualities.

Social and Economic Impacts

Project construction activity would focus on the Ketchikan area. The level and duration of social and economic impacts would depend on a number of factors, including the need to import a Project workforce, the number of workers who would be accompained by dependents, their length of stay, and the ability of Ketchikan to absorb a small increase in demand for housing, public services and consumer goods. Most workers will be physically located at a temporary field camp near the powerhouse location. These impacts would be primarily secondary, short-term economic impacts associated with personal consumption expenditures of the Project workforce.

Engineering Considerations

The dam site 2,800 feet upstream from the mouth of Falls Creek is a suitable location for a concrete arch dam. The crystalline schist bedrock at the site would provide an adequate foundation for this type of structure. To elimate the hazard of locating a surface penstock through an area which might be subject to landslides and snowslides, a concrete lined power tunnel constructed in bedrock is proposed. The powerhouse site adjacent to the mouth of Falls Creek on Carroll Inlet has adequate bedrock for the foundation of the p werhouse. The spillway preliminary design accommodates only 50% of the probable maximum flood inflow into the reservoir, therefore the non-overflow portions of the arch dam must be designed to accommodate this infrequent occurrence. The 115 KW transmission line is adequately sized to accomodate Swan Lake power transmission. The necessity to upgrade the transmission line to accommodate additional sources of power should be considered prior to construction.

Economic Feasibility

The Swan Lake Project was compared to the Lake Grace, Mahoney Lake, and all diesel alternatives in an economic analysis. Results of the analysis are that any hydroelectric alternative is superior to continued dependence on diesel. The Mahoney Lakes Project has a lower cost/KW than the Swan Lake Project, however, reliance upon supplemental diesel generation

occurs from first power-on-line of this Project which is too small to satisfy long term needs. The Lake Grace Project has environmental problems, it is larger than Swan Lake, and the cost/KW of power is equal to Swan Lake. The Swan Lake Project satisfies the long term needs of the KPU system, and depending upon the rate of escalation of diesel fuel over the normal rate of inflation, the Project can achieve cost savings to the system of between $2 and $22 million over the first 10 years of Project operation.

Project Costs and Financing

Without state assistance, an estimate of Project costs are:

Land and Land Rights	$ 572,000
Powerplant Structures and Improvements	4,010,000
Reservoirs, Dams and Waterways	23,232,000
Water Wheels, Turbines and Generators	5,866,000
Accessory Electric Equipment	1,649,000
Miscellaneous Power Plant Equipment	3,430,000
Construction and Access Facilities	9,082,000
Transmission Facilities	11,428,000
Subtotal - Direct Construction Cost	$59,269,000
Sales Tax	-0-
DIRECT CONSTRUCTION COST	$59,269,000
Contingencies,	8,761,000
Subtotal	$68,030,000
Engineering	8,396,000
TOTAL CONSTRUCTION COST	$76,426,000

The total amount of the revenue bond issue will be approximately $107,000,000 to include interest during construction, funding of reserve funds, and costs of issuance. This amount could be decreased by $25 million if the recommended amount and form of state assistance is approved. The $18,000,000 loan to the Ketchikan Public Utilities would be subordinate debt to the bond indebtedness, with graduated interest payments and deferred principal and interest payments to shape overall Project debt service in a manner to improve the revenue bond Project financing.

The ability of the Project to be financed without state assistance is questionable due to the Project size, amount of the bond issue, and the potential for power excess to system needs in the early years of operation. Without state assistance, an interest penalty on the overall bond issue will result in even higher power costs for Ketchikan consumers.

The Power Authority may issue contract revenue bonds (under an Indenture of Trust between the Power Authority and a trustee bank) for the difference between Project capital requirements and a subordinated State loan. Under the plan, the Power Authority would own the Project, KPU would have the option to purchase after obligations are repaid, KPU would operate/maintain the facilities, KPU would be responsible for debt service, KPU would set rates to collect revenues with a stipulated coverage. The bonds would be amortized over 40 years, with the Reserve and Contingency Funds paying the last years and one-half debt service.

CONCLUSION

This summary was prepared by the staff of the Alaska Power Authority to comply with Section 44.56.180 of the enabling statutes of the Power Authority. The maximum amount of bonds estimated to be necessary to finance the Swan Lake Project is $120 million. The Power Authority intends to assist the Ketchikan Public Utilities to finance the Project with state assistance in the form of an $18 million subordinate loan. The Power Authority does not intend to design, construct, or operate the Project itself. The Project will be designed, constructed, and operated by Ketchikan Public Utilities, with rights to the capacity remaining with the Utility, and ownership of the Project determined by the optimal acceptable form of revenue bonds issued for the Project. Ultimate ownership rights upon retirement of debt service will remain with the Utility. The general design and financial feasibility of the Swan Lake Project is acceptable, and the Project should proceed to construction. The Power Authority recommends that the Legislature adopt a joint resolution approving the general design and financial feasibility of the Swan Lake Project, approve action of the Power Authority to issue bonds in a maximum amount of $120,000,000 for the Project, and approve state assistance in the form of an $18 million subordinate loan for the Project.

Introduced: 3/21/80
Referred: Resources and Finance

IN THE HOUSE BY THE RULES COMMITTEE

HOUSE BILL NO. 967

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Power Authority and approving the general design and maximum amount of bonds for power projects; and providing for an effective date."

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

* Section 1. Actions taken by the legislature before the effective date of this Act to approve the general design and maximum amount of bonds for power projects are confirmed and the Alaska Power Authority is authorized to issue its bonds for the following power projects in the maximum principal amount set out after each:

(1) Solomon Gulch, $20,000,000;

(2) Terror Lake, $120,000,000;

(3) Golden Valley Electric Association waste heat, $110,000,000;

(4) Tyee Lake, $70,000,000;

(5) Swan Lake, $120,000,000;

(6) Glacier Highway Electric Association, $800,000;

(7) Cordova Electric Cooperative, $6,500,000;

(8) Matanuska Electric Association, $2,500,000;

(9) Homer Electric Association, $3,360,000; and

(10) Naknek Electric Association, $730,000.

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

LAW OFFICES
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TELEPHONE
AREA CODE 907
276-6401

Rule 19 by John Sund

March 17, 1980

Hon. Bill Miles
Co-Chairman/Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Re: Ability of Alaska Power Authority to Issue Revenue Bonds in Light of State v. A.L.I.V.E. Voluntary (No. 2022, February 19, 1980) - Our File No. 3610.

Dear Representative Miles:

On March 14, 1980 during a drafting session in regard to HB 953 we indicated to you that we had advised the Alaska Power Authority that in view of the recent Alaska Supreme Court decision in the A.L.I.V.E. Voluntary case referenced above the Authority could not now issue any of its revenue bonds even though previously approved by resolution. At the conclusion of that discussion we agreed to reiterate that opinion in the form of a letter to you, enclosing a bill which we believe will remedy the problem. Eric Yould has also requested that we communicate this information to Representative Gardiner with whom he has also discussed the matter.

The Alaska Power Authority Act in AS 44.56.180(c) provides that the Authority may not design, acquire and construct a new project, nor may it issue its bonds in that regard unless the Legislature has adopted "a joint resolution approving the general design and maximum amount of bonds". In addition, AS 44.56.180(b) requires prior approval of the Legislature by joint resolution before the Authority may proceed with the engineering or design phase of power projects the financing of which will include a guarantee of indebtedness by the permanent fund or an appropriation from the general fund. An occasion to utilize the latter of these approval processes where a project will be "subsidized" has not yet been presented. However, the Legislature has previously passed AS 44.56.180(c) joint resolutions approving the issuance of bonds in regard to three projects and joint resolutions approving an additional eight projects are now pending. In addition, HB 953 as introduced on March 11, 1980 would provide that the Legislature by concurrent resolution may prevent the Authority from proceeding beyond the completion of a reconnaissance study in regard to a new power project.

The Supreme Court of the State of Alaska in the A.L.I.V.E. Voluntary decision recently held that the Legislature may not annul a

regulation of an agency or department of the State by adopting a concurrent resolution which so provides. Holding that this method of proceeding violates Article II of the Alaska Constitution, the Court indicated that while the Legislature may express its views and desires (i.e., recommend or act in an advisory capacity) by resolution, when it expected to speak with the force and effect of law (i.e., exercise its legislative power) it must follow the constitutional safeguards which surround enactment of a bill. As Justice Matthews stated in writing the A.L.I.V.E. Voluntary decision,

> "Of course, when the legislature wishes to act in an advisory capacity it may act by resolution. However, when it means to take action having a binding effect on those outside the legislature it may do so only by following the enactment procedures. Other state courts have so held with virtual unanimity." [Slip Opinion at pp. 10, 11]

In view of the Court's decision and after an analysis of the language of the decision, including that quoted just above, we have advised the Alaska Power Authority that, under the present language of the Alaska Power Authority Act which provides for legislative approval of Authority bond issues by joint resolution, it may not issue bonds which have been approved by resolution.

Further, we have advised the Authority that, in our opinion, the approval by resolution provisions of the Act are not severable so that the Authority may not go forward in the absence of legislative approval which meets the mandate of the Alaska Constitution as interpreted by the Supreme Court in A.L.I.V.E. Voluntary. Faced with such a situation we believe that a court would hold that the Legislature clearly had in mind a process involving approval by the Legislature prior to the issuance of bonds and that, therefore, the court would hold that the bonds could not be issued until the process was lawfully completed, or the approval requirement modified by the Legislature.

In view of the doubtful constitutionality of the use of a joint resolution to approve the bonds of the Authority, we have drafted legislation in the form of a bill which would allow the Authority to issue its bonds to finance the projects heretofore approved or expected to be

approved this Session by joint resolution. A copy of that bill is attached.

Very truly yours,

WOHLFORTH & FLINT

By _____
Pete Argetsinger

PA:jr

cc: Hon. Terry Gardiner
Mr. Eric P. Yould

March 24, 1980

6967 Laser Drive
Anchorage, Alaska
99504

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

Dear Arliss:

After talking to you the other day regarding the proposed hydro project at Ketchikan I got out some old information R.W. Beck had given me as well as the more up to date data from Eric Yould. Other than a general interest in hydro development I enjoyed studying this project since I am familiar with the area. I grew up there and still have family and friends in Ketchikan.

As I stated before it is not possible to correctly evaluate a power project without information on all energy requirements of the area. This is becoming even more the case as it becomes clear that dependence upon petroleum must be reduced and eventually eliminated. The handwriting is also on the wall that all combustion of carbon based fuels must be reduced to an absolute minimum. Current technology can now provide the required alternatives for all except transportation related requirements. In time hydrogen and improved batteries will be available for transportation needs. The use of biomass such as burning wood, wood waste or organically produced alcohol is also being advocated by some but it cannot be a long term solution. The immediate effect of burning carbon is the same whether it comes from wood, alcohol, coal or oil. Even though biomass carbon comes from the carbon dioxide in the air a long residence time in a fixed state is necessary for a stable carbon cycle. In fact it is now believed that at least half of the CO_2 build up is due to shorting the carbon residence time in the biosphere by human activities. I am certainly not advocating that we stop using wood as a domestic fuel supplement, or as a total supply where appropriate, but I do want to see that we avoid future problems and restrictions which are sure to come as global pollution problems become more pressing.

Returning to the immediate question, I have made an estimate of the Ketchikan area stationary energy requirements. These are current needs and do not include any allowance for growth. They are as follows:

K.P.U. Current generation	82.2 million KWH
Space heating (now primarily oil)	105.5 million KWH
L.P.K. pulp mill (now primarily oil)	15.0 million KWH
Total area stationary energy use	202.6 million KWH

The figure for heating requirements is based upon data on estimated needs if conversion from oil to electric heat occurred. The total number is mine based on that data and the number of residential and commercial customers they now have. I checked this against the electric and oil equivalent of our own home gas use and even allowing for differences in the climate I believe the number I used is quite low.

Their currently existing hydro capacity can produce 62.7 million KWH and the proposed Swan Lake project could produce an average of 85.4 million KWH, so in terms of absolute need for energy the project is not too large. Ultimately they will need this project and more. The problem is financial and one of the proper sequence of development. While to stop using oil for space heating and power generation is the ony rational action in the long run, people are not going to willingly replace $1.00 per gallon oil with electricity at over twice the price just for the sake of conservation. On the other hand the longer the hydro is delayed the more it will cost and delay will just make the inevitable transition more painful. I don't think anyone could live in Southeast long without realizing that sunshine there comes in the form of rain.

Now as to the other smaller project, Mahoney Lake. The data on the Mahoney Lake project in the Electric Power in Alaska report done by I.S.E.R. I found highly suspect. However, among the Beck material I did find what appears to be a reasonable estimate for the project. If fact, if the Beck data and projections had been properly interpreted, Mahoney Lake is the project that should have been pushed for first.

The current construction cost estimate for Swan Lake is $75 million, the remainder of the required funds are for interest during construction, reserves, financing costs, etc. Escalating the old Beck estimate for Mahoney Lake by the same factor (1.23) as required to bring the old Beck estimate for Swan Lake up to current costs yields a construction cost of $36.5 million. Assuming both plants are built for 50% load factor (more or less standard practice), one gets a cost of $3847/Kw for Swan Lake and $3313/Kw for Mahoney Lake. Thus Mahoney Lake should produce cheaper energy if escalation and inflation factors are removed. Beck analyzed the first ten years energy costs for four alternatives. Swan Lake, Lake Grace (a larger project yet), Mahoney Lake and continued expansion of the diesel plant. They showed that the first ten years energy cost was lower for Swan Lake. Under their assumptions this was true but from an engineering and financial standpoint, one should look at the present worth of future costs not just future costs. Present worth analysis takes into account the time value of money and of course shows the benefits of deferring investments which can be deferred while for a simple sum a future cost counts the same as a present one. Using

the present worth approach the Beck numbers indicate a lower levelized life cycle cost for Mahoney Lake. Looking at the year to year cost of these alternatives shows Swan Lake power costing initially about 50% more than Mahoney Lake power. It is only in the sixth year that the annual cost of Swan Lake power becomes cheaper. These are old estimates and projections and I have not taken the time to update them except as noted. Current oil costs and escalations have been higher than anticipated and load growth somewhat less, but all in all I think a good job was done in everything except interpreting the results.

Clearly they should have worked on Mahoney Lake first, but it does not automatically follow that is what should be done now. If because of licensing and/or design problems it would take two years longer to start actual construction on Mahoney Lake it would no longer be the more economical producer of power. At 15% annual inflation, which may be on the low side just now, Mahoney Lake goes to $3810/Kw with one year delay and to $4381/Kw in two years. Since escalation will effect the cost of energy over 40 years, it will utltimately make up for differences in the available load during the early years. Therefore the correct project to build is the one which can be built first.

The other factor is what the people are willing to pay at the front end for power rates. I would assume that the elected representatives from Ketchikan should be able to evaluate community feeling on that issue.

Since transmission line problems have been such a problem in Juneau it may become a issue here. I have walked over a good portion of the proposed Swan Lake route and have seen from the water most of the remainder so I feel confident the proposed route will not have severe problems such as the Snettisham line or even the Turnagain line has had.

Sincerely,

Thomas R. Stahr

TRS:slg

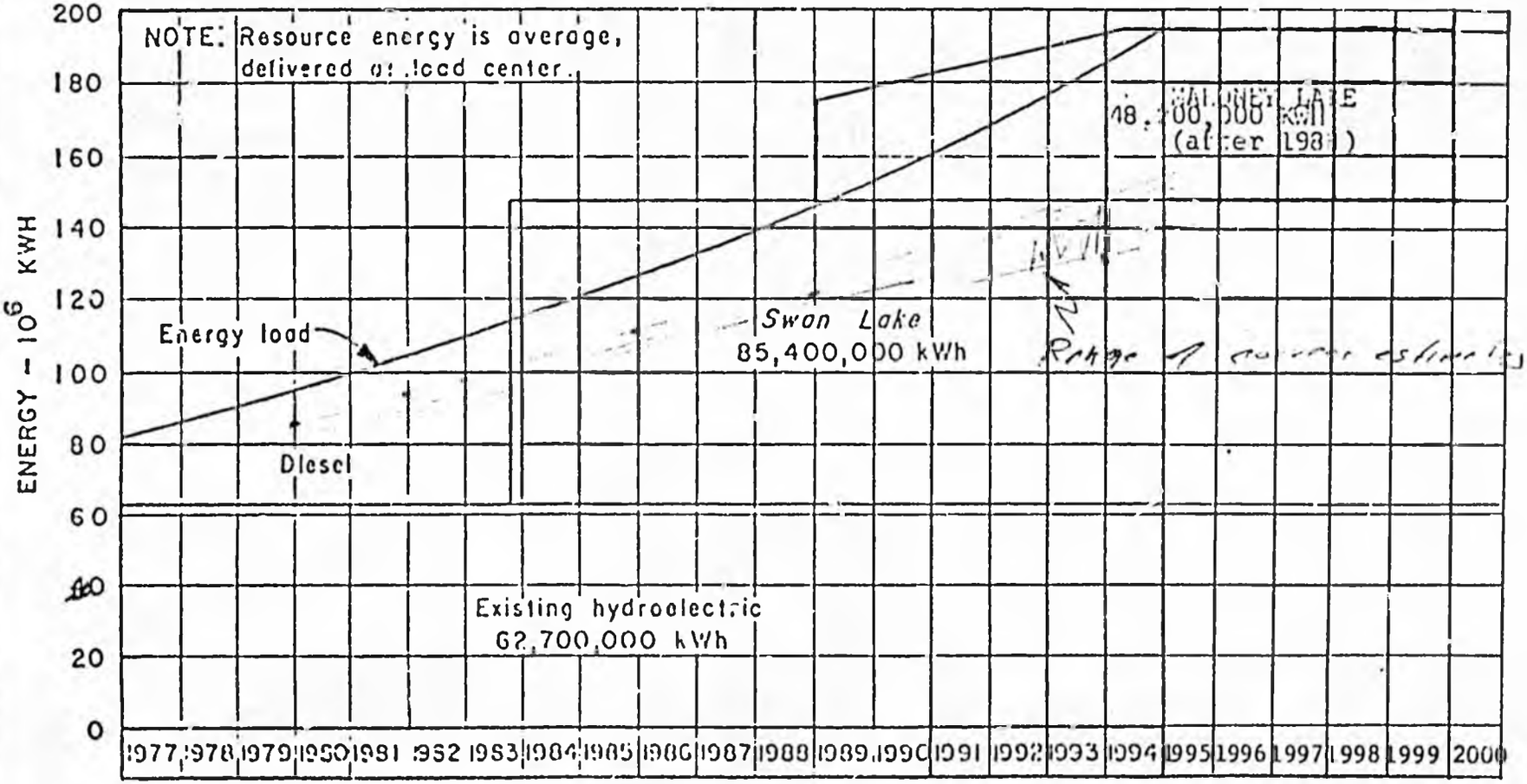
SWAN LAKE, LAKE GRACE AND MAHONEY LAKE PROJECTS

Table 1

COST ESTIMATE SUMMARY

ITEM	PROJECT SWAN LAKE	LAKE GRACE	MAHONEY LAKE
1. Preparatory Work	$ 3,378,000	$ 5,611,000	$ 3,460,000
2. Dam and Reservoir	9,719,000	8,498,000	629,000
3. Power Tunnel	4,785,000	9,720,000	7,229,000
4. Power Plant Civil Work	2,614,000	2,905,000	2,125,000
5. Power Plant Mechanical Equipment ...	2,772,000	2,890,000	1,200,000
6. Power Plant Electrical Equipment ...	2,534,000	2,700,000	1,400,000
7. Transmission and Switchyards	9,540,000	13,600,000	420,000
TOTAL DIRECT CONSTRUCTION COST ...	$35,342,000	$45,924,000	$16,463,000
Contingencies	5,301,000	6,889,000	3,293,000
Subtotal	$40,643,000	$52,813,000	$19,756,000
Engineering & Owner Administration	5,081,000	6,602,000	2,469,000
TOTAL CONSTRUCTION COST (Bid Date January 1977)	$45,724,000	$59,415,000	$22,225,000
Interest During Construction (5%/yr.)	3,429,000	4,456,000	1,667,000
TOTAL INVESTMENT COST (Bid January 1977, On-Line September 1980)	$49,153,000	$63,871,000	$23,892,000
Escalation (7%/yr.)	15,277,000	19,851,000	7,426,000
TOTAL INVESTMENT COST (Bid January 1981, On-Line September 1983)	$64,430,000	$83,722,000	$31,318,000
subtract IDC	− 3,429.000		− 1,667,000
	61,001.000		29,651,000
Current estimate	75,000,000		36,455,550
Factor	1.23		

Chart No. 2



ENERGY

SWAN LAKE, LAKE GRACE AND MAHONEY LAKE PROJECTS

COST OF POWER - COMPARISON OF ALTERNATIVES

	ANNUAL COST - $1,000(1)									
	1983-84(2)	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
P.W. factor	.93	.87	.82	.76	.71	.67	.62	.58	.54	.51
SWAN LAKE ALTERNATIVE										
Hydro Debt Service (3)	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592
Hydro O&M (4)	916	980	1,048	1,122	1,200	1,284	1,374	1,470	1,543	1,683
Existing Diesel O&M (Fuel)	-	-	-	-	-	-	513	1,180	1,983	2,919
TOTAL										
1. No Sale of Excess Energy	4,508	4,572	4,640	4,714	4,792	4,876	5,479	6,242	7,148	8,194
Credit for Sale of Excess(5)	-164	-175	-188	-208	-215	-	-	-	-	-
2. With Sale of Excess Energy	4,344	4,397	4,452	4,506	4,577	4,876	5,479	6,242	7,148	8,194
3. present worth of cost*	4,040	3,825	3,651	3,425	3,250	3,267	3,397	3,620	3,860	4,179
4 early cost/kwh mills	82.3	75.0	68.8	63.3	58.8	57.5				
LAKE GRACE ALTERNATIVE										
Hydro Debt Service	4,668	4,668	4,668	4,668	4,668	4,668	4,668	4,668	4,668	4,668
Hydro O&M	1,190	1,273	1,362	1,457	1,560	1,669	1,785	1,910	2,044	2,187
Existing Diesel O&M (Fuel)	-	-	-	-	-	-	-	-	527	1,361
TOTAL	5,858	5,941	6,030	6,125	6,228	6,337	6,453	6,578	7,239	8,216
MAHONEY LAKE ALTERNATIVE										
Hydro Debt Service	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746
Hydro O&M	445	476	509	545	583	674	668	715	765	818
Existing Diesel O&M (Fuel)	740	985	1,316	1,721	2,170	2,653	3,335	4,182	5,135	6,242
New Diesel Debt Service (6)	-	-	-	-	-	-	254	504	504	504
New Diesel O&M (Fixed)	-	-	-	-	-	-	192	410	439	470
TOTAL	2,931	3,207	3,571	4,012	4,499	5,023	6,195	7,557	8,589	9,780
present worth of costs*	2,726	2,789	2,928	3,049	3,194	3,365	3,841	4,383	4,638	4,987
cents/kwh mills	55.5	54.7	55.2	56.3	57.8	59.2	67.5			
DIESEL ALTERNATIVE										
Existing Diesel O&M (Fuel)	2,704	3,210	3,791	4,457	5,217	5,690	6,088	6,514	6,971	7,458
New Diesel Debt Service	381	381	381	381	639	898	898	898	898	898
New Diesel O&M (Fixed)	290	310	355	355	577	827	885	947	1,014	1,084
New Diesel O&M (Fuel)	-	-	-	-	160	546	1,095	1,718	2,466	3,397
TOTAL	3,375	3,901	4,504	5,193	6,593	7,961	8,966	10,077	11,349	12,837
present worth of costs*	3,137	3,394	3,693	3,946	4,681	5,334	5,559	5,845	6,128	6,547
Generation Required to Meet Load -	59.5	66.6	69.6	72.9						
(10^6 kWh)	52.8	58.6	64.7	71.2	77.8	84.8	92.1	99.8	108.0	113.8

(1) - Costs of meeting Ketchikan loads during first ten years of project operation (1983-1993) exclusive of costs of existing hydro resources and diesel debt service.

(2) - Power Year, July 1983 through June 1984, typical.

(3) - Basis for hydro debt service is the same as shown in Table VI-1.

(4) - All O&M costs and diesel fuel costs are escalated at 7% per year.

(5) - Assumed 4,000,000 kWh/year of energy from the Swan Lake Project would be sold to LPK during first five years at 90% of diesel fuel cost.

(6) - Capital costs of all new diesels are based on current estimated costs escalated at 7% per year to on-line date.

* present worth @ 7%

KE GRACE AND MAHONEY LAKE PROJECTS

ER - COMPARISON OF ALTERNATIVES

Table 2

ANNUAL COST - $1,000(1)							Cumulative Total Cost ($1,000)	Average Cost (Mills/kWh)
86-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93		
76	.71	.67	.62	.58	.54	.51		
,592	3,592	3,592	3,592	3,592	3,592	3,592		
·122	1,200	1,264	1,374	1,470	1,543	1,68[illegible]		
-	-	-	513	1,180	1,983	2,919		
,714	4,792	4,876	5,479	6,242	7,148	8,194	55,165	67.0
-208	-215	-	-	-	-	-		
,506	4,577	4,876	5,479	6,242	7,148	8,194	54,215	65.8
425	3,250	3,267	3,397	3,620	3,860	4,179	36,514	44.3
63.3	58.8	57.5						
,668	4,668	4,668	4,668	4,668	4,668	4,668		
,457	1,560	1,669	1,785	1,910	2,044	2,187		
-	-	-	-	-	527	1,361		
,125	6,228	6,337	6,453	6,578	7,239	8,216	65,005	78.9
,746	1,746	1,746	1,746	1,746	1,746	1,746		
545	583	674	668	715	765	818		
,721	2,170	2,653	3,335	4,182	5,135	6,242		
-	-	-	254	504	504	504		
-	-	-	192	410	439	470		
,012	4,499	5,023	6,195	7,557	8,589	9,780	55,364	67.2
049	3,194	3,365	3,841	4,353	4,638	4,927	35,901	43.6
56.3	57.8	59.2	67.3					
,457	5,217	5,690	6,088	6,514	6,971	7,458		
381	639	898	898	898	898	898		
355	577	827	885	947	1,014	1,084		
-	160	546	1,095	1,718	2,466	3,397		
193	6,593	7,961	8,966	10,077	11,349	12,837	74,756	90.8
196	4,681	5,314	3559	5,845	6,128	6,547	48,266	58.6
72.9	[illegible]							
1.2	77.8	84.8	92.1	99.8	108.0	113.8	823.6(10^6) kWh Total	

* [illegible]

[illegible]

[illegible]