

H B

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Alaska State Legislature

Representative Niilo Koponen

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Fairbanks, Alaska 99707
479-6782

JUNEAU
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Juneau, Alaska 99811
465-4992


April 25, 1983

SPONSOR STATEMENT ON HB 328 & HB 320

HB328 - The intent of this legislation is to restore the power of local municipalities to set standards for local subdivisions and subdivision roads. This power was removed a few years ago to speed up state land disposals and has resulted in non-conforming subdivisions, sometimes with inadequate access and roads.

HB320 - This legislation is a companion to HB 328 and provides a mechanism whereby the cost of road construction in a state subdivision can be met from part of the proceeds of the sale of the land within the subdivision. Currently road construction in a state subdivision has required a separate appropriation of state monies or has fallen to the taxpayers of the municipality within which the subdivision has been located.

Sponsor


Representative Niilo Koponen

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

MEMORANDUM

TO: Committee on Community and Regional Affairs
FROM: Staff
DATE: May 11, 1983
RE: HB 328

The effect of HB 328 would be to require the state to comply with the planning commission and platting board regulations pertaining to subdivisions in the same manner that private developers are required to comply with the regulations.

The primary issue concerns municipal requirements to insure physical access to the land or lots being sold. At present, the state agencies are exempted from providing any capital improvements to the lands being sold regardless of municipal requirements to the contrary. The construction of access trails or roads to or within the subdivision is considered a capital improvement.

REQUEST

Bill/Resolution No.: HB 328
 Title: Subdivision of State land
 Sponsor: Koponen
 Requestor: House CRA Committee

II. FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC
 BRU, Program of Subprogram(s) Affected: Land Disposals

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		-	-	-		
CAPITAL		35.400				
REVENUE		-	-	-		

FUNDING: (Thousands of Dollars)

GENERAL FUND	35.400				
FEDERAL FUNDS					
OTHER (Specify Source)					

POSITIONS:

FULL-TIME	-	-	-		
PART-TIME					
TEMPORARY					

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Unknown. Some additional income to the State would result from the higher appraised values resulting from access.

IV. ANALYSIS: Attach a separate page for any Analysis (SEE ATTACHED).

Prepared By: Jerome A. Pape Phone: 276-2653
 Division: Technical Services Date: 5/11/83

Approved by Commissioner: Maurya Calloran Date: 5/11/83
 Department: Natural Resources

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor

FISCAL IMPACT - HB 328

This fiscal note is based upon the following assumptions:

1. Disposal Year 600 Lots; 5-1/4 acre average = 3,150 acres.
2. Subdivisions kept within three (3) miles of existing road system (average distance).
3. Subdivision size; 100 acres or greater.
4. No road construction in areas where proposed primary access is boat or plane.
5. Estimates based on FY 84 road/lot ratio.

Roads Built to Borough Standards

Subdivision Roads	\$347,939/Mile	46.14 miles	X 347,939	= \$ 16,054,000
Access Roads	\$345,797/Mile	27 miles	X 345,797	= \$ 9,337,000
			TOTAL	= \$ 25,391,000

NOTES:

1. No bridges are included. Add 10,000 for miscellaneous bridges —or similar structures (\$35,400,000 total).
2. No attempt was made to estimate the recovery costs from land sales.
3. Costs for years beyond FY 84 would be comparable.
4. Assumes that disposal program proceeds as planned; if program is reduced in scope, costs would be lower.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

April 21, 1983

POSITION PAPER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
 225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

RE: HB 328

SPONSOR: Representative Koponen, et al

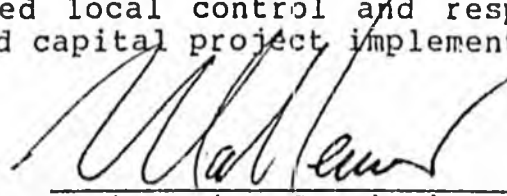
Program Effects of Bill

The general impact of this legislation will be to require that proposed state land disposals conform to the same local regulatory standards as are applied to any subdivision proposed for development within a local municipal jurisdiction.

Comments

The legislation would allow more consistent local control of development. State land disposals would have to be planned in a manner conforming to local comprehensive and capital improvement plans. Under current statute, State land disposals are exempted from meeting local standards, imposing difficulties associated with non-conforming developments in local communities and disrupting local efforts to develop long range development plans.

By requiring local regulatory approval, this legislation advocates and supports increased local control and responsibility for development planning and capital project implementation.



Mark Lewis, Commissioner



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-4801

DEPARTMENT OF ADMINISTRATION

April 19, 1983

APR 24 1983

The Honorable Barbara Lacher
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Barbara:

Re: HOUSE BILLS 328 AND 330

As you know, the Matanuska-Susitna Borough has always asked that the State provide physical access to subdivisions not on lakes or streams, as required by House Bill 328 "An Act relating to subdivisions of state land" and consider the present State policy of turning its back on access as irresponsible.

In fact, if a private person tried to peddle such lots in interstate commerce, he would go to jail for violating the consumer fraud provisions of the federal Interstate Land Sales Act.

There is a particular problem when the State tries to place a new residential subdivision in the midst of residential subdivisions which have been built to Borough subdivision requirements. An example of this would be the proposed State subdivision near the Beverly Lake subdivision in the Meadow Lakes area. The Borough, since 1972, has required construction of subdivision roads to a certain minimum standard--generally 18-20 foot travelled width, one foot of gravel, ditching, drainage, no excessive grades, etc. as a condition of subdivision approval. This means that the subdivisions have come in since 1972 are all pretty good, the roads can be used year-round and we can maintain them at reasonable expense. Some of our pre-1972 subdivisions, when these requirements were not in place, are a disgrace and a constant problem. Where roads can be maintained, the cost of road maintenance is excessive, which is unfair to those persons in road service area where a proper initial investment was made in road construction.

There are a couple of technical points to be kept in mind in connection with House Bill 328, which might be addressed separately from House Bill 328. Very often access to the subdivision is much more important than access within the subdivision. To date, we have been able to prevail upon the State to designate feasible constructable access to a new

subdivision so that if monies should ever become available for construction of the road, the road could be constructed. A certain amount of money should be appropriated each year to the Department of Natural Resources, or the Department of Natural Resources should be able to reach revenues from land sales, for the purpose of building access roads to new State subdivisions to some standard--perhaps a Pioneer access road standard. At the very least, the road should be built to a standard which would qualify the road for the State road revenue sharing program so that the road, once constructed by the Department of Natural Resources, can be maintained.

And, very rarely there is a problem of legal access, where the only good physical access crosses parcels where there is some question about the State's right to locate a road. In those cases, it is much better for the State to spend a dollar for right of way acquisition than to create a situation where the State or the local government or local residents are put in a position to construct a round about road which is not the most feasible and direct route. So, the Department of Natural Resources should always be able to use monies appropriated for State subdivision design and surveying for right of way acquisition, even though there may not be one cent available for road construction. Road right of way acquisition would not be a significant part of the cost of getting a State subdivision ready for sale and would not ordinarily be required.

House Bill 330 "An Act relating to construction of streets and subdivision of state lands" is a creative approach to getting roads built within a subdivision with monies bid in by buyers of lots. It should be possible for the Department of Natural Resources to use some of the money coming in for lot sales in new subdivisions for constructing and upgrading both access road to the subdivision and roads within the subdivision. The source of the money to be placed in escrow under the proposed Subsection (h) could be a separate appropriation to the Department of Natural Resources or this could simply be handled by permitting the Department of Natural Resources to reach into the monies generated by lot sales for State subdivision road purposes. This would, in effect, be a revolving fund with monies coming in from lot sales and money going out for roads to the subdivision and within the subdivision.

Since the State owns the area within any State subdivision before sale of lots, the State should always ask the local government for the creation of a road service area for the area of the subdivision. This means that once the lots are sold, the residents of the subdivision have the legal means to help themselves with respect to roads to the subdivision and within the subdivision. This is not an alternative to construction of roads as proposed by House Bill 330, because the opportunity to build roads to a certain standard occurs at the time monies come in from lot sales and never again would a substantial lump sum be generated which could be immediately available for construction.

The use of a service area would be almost entirely for maintenance of roads previously constructed, since it would take a very long time to accumulate enough money through the property tax on individual lots within the service area to raise a fund sufficient to build roads.

I am glad that there are legislators who would want to see the State held to the same standards that the private sector is required to follow in Alaska and in most other states. There is a reason why land is no longer sold in California, New Mexico and Arizona like it was in the 1960's. Subdivision lots without a reasonable prospect of access sooner or later becomes a vehicle for consumer fraud. Maybe the first buyer from the State knows what he is getting (or not getting) but the unsuspecting second or third buyer probably will not know.

Sincerely,



Gary Thurlow
Borough Manager

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IDENTIFICATION	BILL NAME "AN ACT RELATING TO SUBDIVISIONS OF STATE LANDS."		BILL NUMBER HB 328
			DATE INTRODUCED
			RELATED BILLS PENDING
	SPONSOR(S) KOPONEN, CLOCKSEN, WENIGTE, MCBRIDE		REFERRALS
INITIAL RESEARCH	INITIAL SUMMARY COMPLETED	LEGAL DIVISION SUMMARY AS 29.33.50 (b) (g) " " (c) (1) " " (e)	
	SPONSOR CONTACTED FOR BACKUP MATERIALS KOPONEN CALLED 4-17-83 & IS SEND IN MATERIALS TO US VIA DEBRA (AKO).	DEPT OF LAW SUMMARY	
	AGENCY RESPONSE	FISCAL NOTE GARY THURLOW - MAY SUBCOMMITTEE (BOB CALLED) GARY CHRISTWOOD - AK INDIAN LEAGUE (GUS CALLED) MALL WITLOW - DUR SEND IN, 4-22-83 MICHAEL WENIGTE - CARA (GUS CALLED WILL RECALL 4-2)	
		OTHER INTERESTED LEGISLATORS NOTIFIED	
BACKGROUND RESEARCH	SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES Yes		OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, ETC
	RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS		
HEARING PREPARATION	CHAIRMAN BRIEFED	DATE & PLACE SET	
	STAFF MEMO TO COMMITTEE	TELECONFERENCE	
	BACKGROUND MATERIAL DISTRIBUTED	PSA/PRESS RELEASE	
	LIST OF WITNESSES	SUGGESTED AMENDMENTS/CS DRAFTED	