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COMMITTEE REPORT

HOUSE

RESOURCES

FURTHER: FINANCE

(7)

4/5/83

Date: 4-5-83

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 330

An Act relating to construction of streets in subdivisions of state land.

under consideration and reports it back as follows:

do pass [] do not pass

[] do pass with attached amendments(s)

replace with CS for HB 330 (2nd time) [] same title

and recommends _____ [X] new title

[] AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation [] Zero Fiscal Note Attached

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Miss Miller
CHAIRMAN

Mike:

HB330 - here is progression
from last Wed. mtg. - wanted you to
see changes - Tam Cook has said
~~you~~ she will attend for explanations
if you need her. (or we can get written
explanation from her on changes.)

Tom pleasure.

S

Section AS 29.33.150(e) is amended to read:

(h) As a condition of approving a subdivision plat of undeveloped state land, the platting board may by regulation require the Commissioner of Natural Resources to ESTABLISH A SERVICE AREA WITHIN THE LAND TO BE DISPOSED OF AND TO deposit money in an escrow account established by the municipality to be used to construct streets AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE within the subdivision. The platting board may not require a deposit of money into the escrow account until after the first lot in the subdivision is disposed of. The amount of funds required to be deposited into an escrow shall be equal to the municipality's estimate of construction cost per road mile, or fraction thereof, of improved roads AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE that are adjacent to property that has been disposed of. The estimate of road construction costs shall be the estimate to construct a road AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE to minimum standards to qualify for state aid to municipalities for roads AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE under AS 29.89.020.

Pink outlining is difference between HB330 language and Committee request language.

Above was approved by Committee to be entered in CSHB330.

Passed with 5 do passes. Taken to legal for draft of

Committee substitute. Staff informed of problems found by legal. Attached is draft of CS suggested by Legal to achieve Committee aims.

Cook
2/10/84

Original sponsors: Koponen, Clocksin,
Wendte, et al

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IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 330 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to construction of improvements in
subdivisions of state land."

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

* Section 1. AS 29.33.150(e) is amended to read:

(e) Notwithstanding any other provision of law, the provisions
of (b) - (h) [(b) - (f)] of this section apply to all disposals of
land under AS 38.05 or AS 38.08.

* Sec. 2. AS 29.33.150 is amended by adding a new subsection to read:

(h) As a condition of approving a subdivision plat of undevel-
oped state land, the platting board ~~shall~~ by regulation require the
commissioner of natural resources to deposit money in an escrow ac-
count established by the municipality to be used by the municipality
to construct streets and other improvements within the subdivision
needed to comply with subdivision ~~regulations adopted under AS 29.33.~~

150. The platting board may not require a deposit of money into the
escrow account until after the first lot in the subdivision is dis-
posed of. Before approving a subdivision plat of undeveloped state
land, the platting board shall notify the commissioner of natural
resources of the amount of each deposit required, the total number of
deposits, and the date each deposit is due.

Cook
2/10/84

Original sponsors: Koponen, Clocksin,
Wer.dte, et al

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 330 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to construction of improvements in
7 subdivisions of state land."

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

9 * Section 1. AS 29.33.150(e) is amended to read:

10 (e) Notwithstanding any other provision of law, the provisions
11 of (b) - (h) [(b) - (f)] of this section apply to all disposals of
12 land under AS 38.05 or AS 38.08.

13 * Sec. 2. AS 29.33.150 is amended by adding a new subsection to read:

14 (h) As a condition of approving a subdivision plat of undevel-
15 oped state land, the ^{municipality} ~~planning board~~ ^{may} ~~shall~~ ^{ordinance - held public} by regulation require the
16 commissioner of natural resources to deposit money in an escrow ac-
17 count established by the municipality to be used by the municipality
18 to construct streets and other improvements within the subdivision
19 needed to comply with subdivision ~~regulations adopted under AS 29.33.~~

20 ~~150.~~ ^{may} The ~~planning board~~ may not require a deposit of money into the
21 escrow account until after the first lot in the subdivision is dis-
22 posed of. Before approving a subdivision plat of undeveloped state
23 land, the ~~planning board~~ shall notify the commissioner of natural
24 resources of the amount of each deposit required, the total number of
25 deposits, and the date each deposit is due.

*Amplification - to plat del
out prior held by mayor -*

Alaska State Legislature



House of Representatives

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3870

minutes of last
meeting on HB 330

HOUSE COMMUNITY & REGIONAL AFFAIRS
STANDING COMMITTEE
February 8, 1984
3:18 p.m.

Members Present: Rep. Mike W. Miller, Chairman
Rep. Bette Cato, Vice-chairwoman
Rep. Barbara Lacher
Rep. Jack McGride
Rep. Randy Phillips

Members Absent: Rep. Vern Hurlbert
Rep. John Lindauer

COMMITTEE CALENDAR

House Bill 330 - "An act relating to the construction of streets in subdivisions of state land."

PREVIOUS ACTION

Current Status: In House C & RA Referral: House Resources
Prime sponsor: Rep. Niilo Koponen.

WITNESS REGISTER

Scott Burgess
105 Municipal Way, Suite 304
Juneau, Alaska 99801
586-1325
Executive Director of the Alaska Municipal League
Position Statement: see attachment #1

Ned Farquhar
Pouch M
Juneau, Alaska 99811
465-2400
Representing the Dept. of Natural Resources
Position Statement: no testimony

ACTION NARRATIVE

0007

Chairman Miller calls the House Community & Regional Affairs Committee Meeting to order. Roll call shows the following members present: Rep. Cato, Rep. Lacher, Rep. McBride and Rep. Miller. (Rep. Phillips joins the meeting at 0132 of the tape meter.) Roll call shows the following members absent: Rep. Hurlbert and Rep. Lindauer. The Chairman announces the bill to be heard in committee: HB 330 - "An act relating to the construction of streets in subdivisions of state land." The Chairman then introduces the prime sponsor of the bill, Rep. Niilo Koponen, and asks him to address the Committee.

0018

Rep. Koponen offers his support and testimony for HB 330. "What I was trying to do with the two bills, SB 28 and [HB] 330 was to have specific legislation that would deal...would provide certain incremental changes to deal with specific problems..."

0054

All of the committee members discuss their questions and comments regarding Rep. Koponen's testimony.

0248

Chairman Miller excuses Rep. Koponen and introduces the first witness, Mr. Scott Burgess, Executive Director of the Alaska Municipal League.

0253

Mr. Burgess gives his testimony on HB 330 (see attachment #1).

0310

Representatives Phillips, McBride and Lacher discuss their comments and questions with Mr. Burgess regarding his testimony on HB 330.

0438

Chairman Miller announces that he wishes to pass HB 330 out of Community and Regional Affairs and on to the next committee of referral, House Resources in order for it to be in the committee when Senator Fahrenkamp's bill, SB 375 regarding Title 38 also reaches House Resources. This is the intent of the Chair because it will be beneficial for the Resources Committee to consider the two bills at the same time.

- 0443 Rep. Phillips states that the Committee might wish to consider some suggested language changes in the bill.
- 0449 Chairman Miller opens the meeting for discussion of the language changes among the members.
- 0452 Representatives Phillips, Cato and Koponen discuss the possibility of sending the suggested language changes to the next committee of referral in order to allow them to make any amendments to the bill that they wish.
- 0463 Rep. McBride proposes a possible change in language that could be adopted by the C & RA Committee.
- 0468 The members discuss the changes and are agreeable with them.
- 0510 Rep. McBride moves to adopt the amendment to HB 330.
- 0511 Hearing no objection, the Chairman orders that the amendment to HB 330 be adopted.
- 0513 Rep. McBride moves and asks unanimous consent that the Committee Substitute for House Bill 330 be passed out of the Community & Regional Affairs Committee with individual recommendations.
- 0515 Hearing no objection, the chairman orders that the CS for HB 330 be passed out of the C & RA Committee with individual recommendations.
- 0516 Chairman Miller announces that the C & RA Committee will meet only two days per week rather than three, Monday and Wednesday, due to lack of a large number of bills in the Committee. He also gives a brief summary of the next meeting.
- 0532 With no further discussion the Chairman adjourns the meeting at 3:52 p.m..

Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
(907) 586-6526

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

February 8, 1984

To: House Community & Regional Affairs Committee

From: Scott A. Burgess, Executive Director 

Re: Hb 330 - Construction of Streets in State Subdivisions

The League urges the passage of legislation which requires the State of Alaska to comply with all local subdivision ordinances and regulations in connection with state land disposal programs. The state should meet the same local requirements imposed on private citizens.

Because the lack of funding is used as the main reason why state subdivisions were specifically exempted from the capital improvement requirements of AS 29.33.150, HB 330 provides one mechanism to require the state to provide the funding. However, if the money is available to the state to create an escrow account, why not simply remove the state's exemptions from AS 29.33.150 and include the costs of capital improvements in the state disposal program?

ATTACHMENT #1

M E M O R A N D U M

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: May 27, 1987

RE: Proposed CS to HB 330

Section AS 29.33.150(e) is amended to read:

(h) As a condition of approving a subdivision plat of undeveloped state land, the platting board may by regulation require the Commissioner of Natural Resources to establish a road service area within the land to be disposed of and to deposit money in an escrow account established by the municipality to be used to construct streets *and other improvements required by local ordinance* within the subdivision. The platting board may not require a deposit of money into the escrow account until after the first lot in the subdivision is disposed of. The amount of funds required to be deposited into an escrow shall be equal to the municipalities estimate of construction cost per road mile, or fraction thereof, for platted roads^{tt} that are adjacent to property that has been disposed of. The estimate of road construction costs shall be the estimate to construct a road^{tt} to minimum standards to qualify for state aid to municipalities for roads^{tt} under AS 29.89.020.

Alaska State Legislature

Representative Niilo Koponen

FAIRBANKS
Box 252
Fairbanks, Alaska 99707
479-6782

JUNEAU
Pouch V
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 11th, 1983

RE: HB 330

HB 330 provides a means to enable municipalities to acquire funds to construct roads within a subdivision of underdeveloped state lands that have been sold to individuals. Funds from the sale of lots within a state subdivision are deposited into the state general fund. The proposed legislation requires the Department of Natural Resources, upon the sale of lots in a state subdivision, to deposit money in a municipal escrow account to be used by the municipality to construct streets within the subdivision.

Under present circumstances, the purchasers of lots within a state subdivision cannot absorb road construction costs and no other means, except direct legislative appropriation, are available to fund the road construction. In the event that private developers subdivide and sell lots, the developer is generally required to construct streets to a specified standard before selling the lots.

FISCAL IMPACT - HB 330

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 (no road).
5. Estimates based on FY 84 road/lot ratio.

Since this bill applies to streets within the subdivision the anticipated funds to be escrowed are:

If Borough Standard Roads: 46.14 miles X 347,939 = \$16,054,000

NOTES:

1. --- No attempt was made to estimate the recovery costs from land sales.
2. Costs for years beyond FY 84 would be comparable.
3. Assumes that disposal program proceeds as planned; if program is reduced in scope, costs would be lower.

Alaska
MUNICIPAL
League

TELEPHONES
907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

May 11, 1983

to: House C. & R.A. Committee
from: Ginny Chitwood *Ginny*
re: HB 330 - Escrow Account for State Subdivision Streets

Summary: This bill gives municipal platting authorities the option of requiring an escrow account for the future construction of streets in a subdivision, instead of requiring that the streets be built before the lots are sold. AS 29.33.150 is the section of Title 29 outlining "Platting jurisdiction and power".

Section 1: Subsection (e) is amended to include the new subsection proposed in Section 2.

Section 2: This sections adds a new subsection giving platting authorities the option of requiring the state to deposit money in an escrow account after the first lot of a state subdivision is disposed of. The account would be used by the municipality for the construction of streets in a state subdivision instead of requiring construction prior to disposal.

Alaska Municipal League supports this bill because it provides added flexibility for the state and municipalities to time the construction of streets in state subdivisions when they are needed by the property owners.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

May 11, 1983

to: House C.&R.A. Committee
from: Ginny Chitwood *Ginny*
re: HB 328 - State Subdivisions/Municipal Platting Regulations

Summary: Four years ago during the big push to dispose of large quantities of state land, municipal subdivision regulations were partially overridden because they were perceived as a hindrance to the disposals. Actually what happened was that people got land that they had no way to get or to use. Municipalities then were besieged by state subdivision land owners to provide the streets and in some cases utilities that any other subdivider would have had to provide before the lots could have been sold. This bill repeals the special status given the state in disposing of land and requires the state to follow the same ground rules as any other subdivider.

Section 1: AS 29.33.150 is the "Platting jurisdiction and power" section of Title 29. The changes proposed in subsection (b) remove the special exemption from any requirements for providing capital improvements that had been granted to the state, but preclude the municipality from changing the "rules of the game" once a plat for a proposed subdivision has been filed.

Section 2: AS 29.33.150(c) requires the platting board to approve a state subdivision plat unless (1) it determines the plat does not comply with subdivision regulations and (2) notifies the DNR commissioner within 60 days. This bill allows the platting board to disapprove a state subdivision plat if it does not provide for required capital improvements.

Section 3: This section strengthens the wording which gives the state responsibility to provide legal access and to comply with regulations requiring physical access to state subdivisions.

Section 4: This section repeals AS 29.150(g) defining "capital improvements". The definition is no longer needed because references to capital improvements are deleted from the preceding subsections.

Alaska Municipal League supports this bill because there appear to be no good reasons why the state should follow a different set of rules than everyone else when disposing of land. Subdivision regulations are adopted to protect the property owner and purchaser, not to hinder development.

HB 329 (cont'd)

Introduced April 6 and referred to Community and Regional Affairs.

State Land
(construction
of streets
in subdiv.)

HOUSE BILL NO. 330, by Reps. Koponen, Clocksin, Wendte and McBride. Relates to construction of streets in subdivisions of state land. Amends AS 29.33.150 (Platting Jurisdiction and Power) by adding a new subsection stating that the platting board may require, as a condition of approving a subdivision plat of undeveloped state land, that the commissioner of natural resources deposit money in an escrow account established by the municipality to be used by the municipality to construct streets in the subdivision. The board may not require a deposit in the escrow account until after the first lot in the subdivision is disposed of. Before approving a subdivision plat of undeveloped state land, the platting board shall notify the commissioner of natural resources of the amount of each deposit required by regulation, the total number of deposits, and the date upon which each deposit is due.

Does not provide for an effective date (becomes law 90 days after Governor's approval).

Introduced April 6 and referred to Community & Regional Affairs, Resources and Finance.

Bidding on
State Grants/
Appropriations

HOUSE BILL NO. 331, by the Labor and Commerce Committee. Would require all recipients of a state grant or appropriation including municipalities, unincorporated communities, and agencies of the state, to comply with the Alaska bidder preference in AS 37.05.230(1) in expending all or part of the grant or appropriation to construct or repair any public facility or improve any real property. The grant or appropriation recipient may not provide for a preference to a local bidder in the award of any construction project funded in whole or in part by state funds unless the preference is granted to an "Alaska bidder" as defined in AS 37.05.230(5) (a person who holds a current Alaska business license, submits a bid for goods or services, has maintained a place of business within the state for six months immediately preceding the date of the bid). Does not provide for an effective date (becomes law 90 days after Governor's approval).

Introduced April 7 and referred to Labor & Commerce, Finance.

State Medical
Board
(extending)

HOUSE BILL NO. 332, by the Labor & Commerce Committee. Would extend the termination date of the State Medical Board until June 30, 1987 (currently scheduled to terminate June 30, 1983). Provides Act takes effect immediately.

Introduced March 7 and referred to Health, Education & Social Services, Finance.

The following Labor & Commerce Committee letter accompanied the bill upon introduction:

Appropriation CS FOR HOUSE BILL NO. 336 (FINANCE), (see pages 483;549;
(special) 564). On April 18 the Finance substitute was adopted. The
(AK Housing bili then passed the House, 39-0-1. Excused: Cato. The ef-
Fin. Corp.) fective date clause was adopted.

Nikishka CS FOR HOUSE CONCURRENT RESOLUTION NO. 25 (TRSP), (see pages
Speed Zone 335;493;564). On April 19 the Transportation substitute was
(requesting) adopted (see page 493). The resolution then passed the House,
38-0-1-1. Excused: Cato. Absent: Grussendorf.

Trapping HOUSE CONCURRENT RESOLUTION NO. 27, (see page 384; ,this
(use of info. report). Passed the House April 22, 32-0-5-3. Excused:
for land use Bettisworth, Cato, Flood, Martin, Wendte. Absent: Hayes,
planning & Lindauer, Ringstad.
disposal)

OTHER ACTION IN THE HOUSE

Auto Liab. SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 7, (see pages 27;105;
Insurance 415;496). On April 20 the Speaker changed the committee re-
(req'd under ferrals to Labor & Commerce, Judiciary, and Finance. The bill
state law) is currently in Labor & Commerce.

Appropriation HOUSE BILL NO. 137, (see pages 99;258). On April 22 Reps.
(supplemental) Lacher and Clocksin were added as co-sponsors.
(sch. constl.
debt)

Optometry HOUSE BILL NO. 225, (see page 222). On April 20 Rep.
(practice/
use of drugs) Martin was added as a co-sponsor.

Attorney Fees HOUSE BILL NO. 327, (see page 477). On April 20 Rep.
(payment by Pestinger moved that the bill be withdrawn. Rep. Clocksin
municipality) objected. The bill was withdrawn, 28-10-1-1. Nays: Clocksin,
Davis, Duncan, Koponen, Malone, McBride, M. M. Miller, Vaska,
Wendte, Zharoff. Excused: Cato. Absent: Phillips. On April 20
Rep. Clocksin was added as a co-sponsor.

State Land HOUSE BILL NO. 328, (see page 477). On April 22 Rep.
(muni. plat. Lacher was added as a co-sponsor.
jurisdic.)

State Land HOUSE BILL NO. 330, (see page 479). On April 22 Rep.
(construction Lacher was added as a co-sponsor.
of streets
in subdiv.)

Public Utility HOUSE BILL NO. 346, (see page 526). On April 20 the State
Income Affairs referral was waived at the request of the Chairman.
(exempting To Labor & Commerce.
from taxat.)

Naturopathic HOUSE BILL NO. 347, (see page 526). On April 21 Rep. Abood
Medicine was deleted as a co-sponsor.

ANALYSIS:

Municipal platting boards may, by regulation, require the Commissioner to establish a road service area within lands to be disposed of by the state. It is envisioned that the Commissioner would establish the road service area as a condition of the sale of lands. In that the road service area regulations are established by a municipality, the rules governing the new service area would be compatible with and administered within a municipality's road service area structure.

The administration of the escrow account established by the municipality is similar to established procedures for existing road service areas, except that the funds deposited are for construction of roads as opposed to maintenance.

No funds can be required to be deposited until the first lot is disposed of and, the rate of deposit of funds will be equal to the rate at which lands adjacent to platted roads are sold.

The amount of funds to be deposited will be determined by the estimated cost per road mile to construct roads to minimum standards to qualify for state road maintenance assistance. The road service area will be responsible to maintain the roads in accordance with established procedures.

The funds generated to the state from the sale of lands will continue to go to the general fund. The Department of Natural Resources will require additional appropriations to implement the program. However, the proceeds from the land sales should, on the average, exceed the appropriations required for purposes of road construction. The income generated from land sales varies from \$200 per acre for agricultural lands to \$3,000 to \$6,000 per acre for highly desirable lands in five acre lots. The following data will assist in evaluating potential costs of the proposed amendment.

One linear mile of road is equivalent to 80 acres in linear distance. A road should serve properties on each side of the road.

Funds received from land disposals depend upon the selling price per acre.

Construction costs for new roads to meet minimum standards may vary from \$80,000 per road mile to \$500,000 per road mile. The lower costs are generally associated with lands suitable for agricultural use. The higher costs are encountered in very swampy or muskeg lands.

The amount of acreage sold per road mile will vary widely, depending upon the configuration and size of lots in respect to a platted road. As an example, five acre lots, each with 2½ acres fronting the road, would result in a total of 80 acres on one mile of road. Assuming a selling price of \$3,000 per acre, the state would receive \$120,000 for the land on one side of the road, or \$240,000 if the same criteria were followed on both of the road.

If the five acre lots were configured so that each lot only had one acre of road frontage, the total acres sold per road mile would be 400 acres

on each side of the road. At \$3,000 per acre, the state receipts for both sides of the road would be \$2,400,000.

In the case of agricultural land disposals involving larger parcels of land at less cost per acre, the state receipts may be as follows:

A 100 acre tract, 10 acres on each side would be equivalent to 1/8 of a mile. If the tract were sold for \$200 per acre, the price would be \$20,000. Potentially, eight such tracts could be sold on each side of one mile of road for \$320,000.

The above examples describe ideal land conditions for subdivision and as such would rarely be encountered. However, the examples shown do indicate that with proper planning and land selections, the cost of the proposed legislation should not exceed the net gain to the state from the land disposals. Individual land disposals may be a net loss, but on the average, the state should continue to gain from the sale of the first lot, or at any specific time thereafter until all of the lands adjacent to each mile of road are sold.

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER
April 21, 1983

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

POSITION PAPER

RE: HB 330

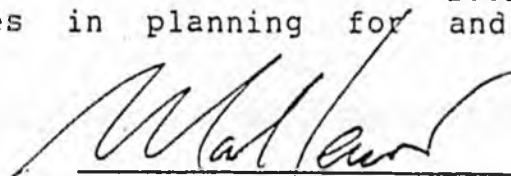
SPONSOR: Representative Koponen, et al

Program Effects of Bill

This legislation would impose a fiscal responsibility on the State, as is customarily fixed upon any developer, to insure that basic access and road improvements inherent in a subdivision plan are satisfactorily executed. The bill requires deposit of money in an escrow account by the Commissioner of Natural Resources for this purpose. Local platting boards would establish, under regulation, the amount due for this escrow deposit and the dates deposits are due.

Comments

Such proposed escrow requirements are not uncommon in local subdivision ordinances and regulations already in place across the State. Some local regulations currently require escrow arrangements for water and sewer as well, as prerequisites for final plat approval. When viewed as a companion bill to HB 328 this proposed legislation would further increase local responsibilities and capabilities in planning for and managing development.



Mark Lewis, Commissioner

STATE OF ALASKA
FISCAL NOTE

Revision Date . 1983

I. REQUEST

Bill/Resolution No.: HB 330
 Title: Construction of streets in subdivision
 Sponsor: Koponen, et al
 Requestor: HCRA

II. FISCAL DETAIL

Agency Affected: Dept. Comm. & Reg. Affairs
 Program Category Affected: Development
 BRU, Program of Subprogram(s) Affected: DCP

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|-------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC | | | | | | |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|------------------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Source) | | | | | | |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

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

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Richard Rainey Phone: 465-4703
 Division: Commissioners Office Date: 4/20/83
 Approved by Commissioner: [Signature] Date: 4/21/83
 Department: Community and Regional Affairs

Distribution:

Original to Legislative Finance
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 Copy to Requestor (if different from Sponsor)

3/8/83

SOUTH TONGASS SERVICE AREA
P.O. Box 9392
KETCHIKAN, ALASKA 99901

March 29, 1983

Mr. Marvin Yoder
Borough Manager
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JRC
Neilson

RE: Assistance for the South Tongass Service Area Land Owners
(Mt. Point State Subdivision Lottery Recipients)

Mt. Point
Subdivision

Dear Mr. Yoder:

As per instructions from the State Officials and the Borough Ordinances, we the Advisory Board for the South Tongass Service Area are submitting this written notice on behalf of 43 property owners of the Mountain Point State Subdivision, requesting the following assistance:

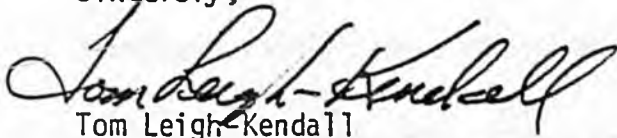
- 1: Boro to obtain thru proper channels Direct Appropriations for the construction of proposed roads into the Mt. Point Subdivision(State Land Lottery) for the purpose of 43 land owners to gain access to their properties, so as to start building their homes. As of June 83, it will be one year (since lottery) with 4 years left to not only build our homes but also live on the property 35 months, for the Homesites. Time is of the essence. This will also create jobs in the area, which is also very much needed.
- 2: Boro to obtain cost estimates and design plans for roads and a sewer collector system to Tidewater in the Mt. Point Subdivision.
- 3: Boro to request assistance and funding from the Community of Regional Affairs, Mark Lewis, Commissioner, Pouch B, Juneau, Alaska 99811. (roads and sewer)
- 4: Boro to request assistance and funding for roads from the Dept. of Transportation & Public Facilities, Daniel Casey, Commissioner, Pouch Z, Juneau, Alaska 99811.
- 5: Boro to request assistance and funding for sewer from the Dept. of Environmental Conservation, Richard Neve', Commissioner, and also Gene Rehfield, Construction Grants Dept., Pouch O, Juneau, Alaska 99811.
- 6: Boro to request assistance and funding from the Environmental Protection Agency, Jan Hastings and Don Dossett, 1200 Sixth Avenue Mail Stop 521, Seattle, Washington 98101, this is for sewer, due to the very fact that sewage is and has been a vital issue in the Mt. Point area.

We would also like to take this opportunity as land owners of the South Tongass Service Area (Mt. Point State Subdivision) to thank all of you for your immediate attention

and assistance on this very important issue and we will be awaiting your prompt response.

We also want to thank you for the opportunity to work closely with you, we hope that working as a group we can set a positive and upbuilding example on team-work.

Sincerely,



Tom Leigh-Kendall
Chairman, of the Advisory Board for
South Tongass Service Area
P.O. Box 9392
Ketchikan, Alaska 99901

TLK:pk

cc: Mayor Carroll Fader, Ketchikan Gateway Borough
Borough Clerk, Georgianna Booth
Borough Engineer, Grant Crammond
Borough Attorney, Russell Walker
Borough Assembly Member, Richard Whittaker
Borough Assembly Member, Darrell Thomas
Borough Assembly Member, Jim Elkins
Borough Assembly Member, Kathryn Carrsow
Borough Assembly Member, Ralph Bartholomew
Borough Assembly Member, Ernie Hanson
Borough Assembly Member, Wes Davidson
Governor, Honorable Bill Sheffield
Senator, Robert Ziegler, Sr.
Representative, Ron Wendte
Representative, Jack Mc Bride
Commissioner, Mark Lewis, Community of Regional Affairs, Juneau
Commissioner, Daniel Casey, Dept. of Transportation & Public Facilities, Juneau
Commissioner, Richard Neve', Dept. of Environmental Conservation, Juneau
Gene Rehfield, Construction Grants Dept. of Environmental Conservation, Juneau
Jan Hastings, Environmental Protection Agency, Seattle, Wa.
Don Dossett, Environmental Protection Agency, Seattle, Wa.
Tom Leigh-Kendall, Chairman, Advisory Board, South Tongass Service Area
Ron Lakey, Co-Chairman, Advisory Board, South Tongass Service Area
John Robertson, Alternate, Advisory Board, South Tongass Service Area
Ken Kilduff, Alternate, Advisory Board, South Tongass Service Area.

April 14, 1983

Mr. Jack Mc Bride
Alaska State Legislature
House of Representatives
Pouch V (Mail Stop 3100)
Juneau, Alaska 99811



File

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RE: State Land Lottery
Mountain Point Subdivision, ASLS 80-187

Dear Mr. Mc Bride:

This letter is a request from the "South Tongass Service Area" (Mt. Point State Land Lottery Subdivision) land lottery recipients for funds of 1.7 million dollars for the construction of ACCESS ROADS and SEWER LINES in the Subdivision. This we are asking from the Alaska State Legislature.

This figure is a rough estimate based on a 1982 preliminary, engineering cost estimates done by Pool Engineering, Inc. in Ketchikan.

Details and more accurate information is in process through the Ketchikan Gateway Borough. The Borough at this time is quite involved in serious administrative affairs, so things appear to be going very slow as far as getting assistance at this time.

Sad to say, that we as land recipients CANNOT remain at a standstill, as was mentioned many many times before, the homesite recipients have a 5 year requirement to build our homes, of which as of June, 1983 one year has come and gone. So now we have only 4 years left to build our homes. The need is great to get our access roads and sewer lines in.

We thank you for any and all immediate assistance on this timely matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Leigh-Kendall".

Tom Leigh-Kendall
Chairman of the Advisory Board for the
"South Tongass Service Area"
P.O. Box 9392
Ketchikan, Alaska 99901

TLK:pk

cc: Mayor Fader, Mayor, Ketchikan Gateway Borough
Marvin Yoder, Manager, Ketchikan Gateway Borough
Georgianna Booth, Clerk, Ketchikan Gateway Borough
Ketchikan Gateway Borough Assembly Members (7)

FEBRUARY 23, 1983

MUD-BIGHT SUBDIVISION

*File
JCR*

ROBERT L. COWAN
P.O. BOX 1135
WARD COVE, ALASKA 99928
247-8269

RE: MUD-BIGHT SUBDIVISION

TO ALL CONCERNED:

In the last couple of weeks, much study has been made into the development of the Mud-Bight Subdivision.

On February 21, 1983, an informal meeting was held in the city council chambers to get as many people together and form a group to get things underway. It was decided upon, that we call ourselves, "The Mud-Bight Subdivision Group". From the people in attendance, five people volunteered to form a committee to do the leg-work as far as keeping everyone informed as to what information is needed and where to go to get it. The committee members are:

Robert Cowan - Chairman, Lottery owner
Roger Slaven - Co-Chairman, Homesite owner
Rick Williams - Lottery owner
Alan Bengaard - Homesite owner
Georgia Cowan - Secretary, Lottery owner

The group unanimously agreed to have the committee go to the Borough Assembly and request that a Service Center be formed to establish sewer & road powers for the Mud-Bight Subdivision.

On March 14, 1983 the group will be recognized at the Borough Assembly meeting with our request that a Service Center be formed. We are on the agenda for that meeting and as many landowners as possible from the Mud-Bight Subdivision are urged to attend and support the need for this Service Center.

In the near future you will be receiving a letter with a petition from the Borough. Please respond to this petition as soon as possible as a majority of the landowners approval is needed to get this Service Center established.

Our next meeting is being planned for March 24, 1983 at 7:00 pm in the city council conference room. Your attendance is very important if we are to succeed in getting this land developed. Everyone needs to know what is going on and how much progress we are making. If a change in the time or place of the meeting occurs, we will try to let you know either in the newspaper or on the radio.

Thank you in advance for your cooperation.

Sincerely,

Robert L. Cowan
ROBERT L. COWAN
CHAIRMAN
MUD-BIGHT SUBDIVISION GROUP

RLC:gc

TELECOPY COVER SHEET

*Jack
McBride*

TO: Representative Jack McBride

PHONE _____

FROM: Robert Cowan

PHONE _____

INSTRUCTIONS: Please deliver copy of Ben. McBride's Office

RECEIVED: DATE: 3/28/83

TIME: 10:35 a.m.

SENT: DATE: 3/28/83

TIME: 10:40 a.m.

BY: (YOUR OFFICE & PHONE NUMBER) Booth (Metropolitan L.I.O.), 225-9675

DISPOSAL OF ORIGINAL: THROW AWAY: _____

HOLD FOR PICK UP: X

NUMBER OF PAGES 2

(NOT COUNTING THIS COVER SHEET)



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

March 28, 1983

Attention: Representative Jack McBride

I received a phone call from Borough Assembly Mayor Carol Fader after his return from Juneau and a conference with Commissioner Richard Nove from the Department of Environmental Conservation. Mr. Fader said the outlook on our direct appropriation was not good. I expressed my feelings of negative attitudes to Mr. Fader.

I cannot express the importance of this appropriation in order to get Knight Subdivision underway. In the Assembly meeting of March 21st. We were put on priority for a direct appropriation and forming a service area. Because of Billing of the State a service area is a problem. We are also on the Capital Funding Priority List Revised 2/11/83 through the A.D.E. C. 50/50 matching fund program. If that is not available or adequate a direct appropriation in the amount of approximately 1 million dollars would help both of the subdivisions Knight and Mountain Point. I ask you Jack, what happened to our priorities?

I see a problem for us receiving any type of loan for the roads and sewer being the State has only received tentative approval for the property from Bureau of Land Management and not final title until the land is paid off.

I am sending a copy of a letter to you concerning the Department of Environmental Conservation opinion, the land could be satisfactory only for recreational use.

Jack, opinions like this make us feel the State is obligated to help us with direct appropriations. We have no security to lay our money on. I expect a response on this at the April 13th Teleconference, as I promised you to send sent through the Legislative Affairs Office in Ketchikan March 17, 1983. I will have 50% of the landowners at the April 13th Teleconference. Thanks.

Robert L. Cowan

Robert Cowan, Chairman
Knight Subdivision Group

Attachment

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

35-00001445 CITY 1 03/17/83 15:20:21 ORIG: 1100 IN= 0006 OUT= 0091
FROM: JUNEAU/KETCHIKAN TO: JUNEAU INFORMATION
TARGET: LJHL SUBJ. POM

TO: REPRESENTATIVE MCBRIDE

FROM: ROBERT COWAN
MUD BIGHT SUBDIVISION
P. O. BOX 1135
WARD COVE, ALASKA 99928
PHONE: 247-8269

RE: MUD BIGHT SUBDIVISION

JACK, THE BOROUGH HAS MET WITH RUSS WALKER, ASSEMBLY LAWYER. WE ARE AT A STANDSTILL UNLESS THE \$300,000.00 DIRECT APPROPRIATION IS GIVEN TO THE KETCHIKAN GATEWAY BOROUGH APPROPRIATED FOR MUD BIGHT SUBDIVISION TO OPEN THIS LAND AND GET PEOPLE LIVING ON IT, ENABLING THEM TO VOTE ON A SERVICE CENTER. ACCORDING TO THE BOROUGH, WE CANNOT FORM A L.I.D. UNTIL A SERVICE CENTER IS FORMED. NO VOTING OR PETITION CAN TAKE PLACE UNTIL WE ENABLE THIS VOTE TO HAPPEN.

I WILL BE TALKING TO YOU ON THE 23RD OF MARCH ON THIS ALSO. APRIL 13 I PLAN TO HAVE A MAJORITY OF THE GROUP AT THE TELECONFERENCE AS WE HAVE A MEETING WITH THE GROUP BETWEEN THESE TWO TELECONFERENCES.

THANK YOU.

BOB

EQM/JR





*Good
Get
Hill*

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

er

MSG 83-00004170 PRIY 1 03/29/83 14:57:57 ORIG: LK00 IN= 0013 OUT= 0071
FROM: JUNE R./KETCHIKAN TO: JUNEAU INFORMATION
TARGET: LJHL SUBJ: POM

TO: SENATOR ZIEGLER
REPRESENTATIVE MCBRIDE
REPRESENTATIVE WENDTE

FROM: STEVEN D. ROBERTS
P. O. BOX 5562
KETCHIKAN, ALASKA 99901
PHONE: 225-2273 (HOME) 225-3022 (ANSWERING PHONE)

RE: MUD BIGHT SUBDIVISION

I'M A HOMESITE OWNER AT MUD BIGHT SUBDIVISION. I RECEIVED MY PERMIT IN 1980 AND AM CONCERNED THAT THERE HAVEN'T BEEN ANY FUNDS AVAILABLE FOR DEVELOPMENT CONSIDERING THE TIME LIMITATION IMPOSED ON HOMESITE OWNERS. I HAVE ONE YEAR LEFT TO COMMENCE LIVING ON THE SITE TO MEET THREE-YEAR CONSECUTIVE OCCUPATION. PLEASE CONSIDER AN EXTENSION FOR THE TIME LIMIT.

THANK YOU. EOM/JR





Matanuska-Susitna Borough

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

DEPARTMENT OF ADMINISTRATION

March 3, 1983

*File
w/p
M/S info.*

Barbara Lacher, Representative
House of Representatives
Pouch V
Juneau, AK 99811

RE: Acquisition of Right of Way by State for State Subdivisions
and Land Disposals

Dear Barbara:

A very short fiscal note to the State Department of Natural Resources appropriate for State subdivisions and land disposals would clear the way for at least one State subdivision and maybe others.

The note would read:

"Monies appropriated for preparation of State subdivisions and land disposals may be used for right of way acquisition and monies from any special assessment district for such subdivisions and land disposals may be applied to right of way acquisition and construction".

If its too much trouble to explain to your fellow legislators the use of a special assessment district the last clause referring to monies from special assessment districts could be dropped.

We and the Division of Technical Services of the Department of Natural Resources thought that we had a very simple solution to handling access into the Chickaloon Bench Subdivision a couple of miles north of the Glenn Highway just east of the Chickaloon River. This is a very well designed subdivision with many lots and with a long linear greenbelt running down the middle.

Our Platting Board approved the subdivision contingent upon the State of Alaska producing evidence that there is legal right of way to the Subdivision along the old Chickaloon River Trail, which runs along the west side of the River from the end of the State maintained road. The Department of Natural Resources claimed that their documentation of the right of way shows that legal access does exist. Unfortunately, there are at least three locations along this trail, where the status of the right of way is highly confused. The rights of way are based upon a series of documents going back at least 70 years which are based upon innumerable Federal statutes, regulations and acts of one kind or another, all of which are very difficult to evaluate as to their effect today.

Our Platting Board took the position that if the Department of Natural Resources could nail down the right of way through a quiet title action or through negotiation with the individual owners, then the buyers of lots would have assured access over the right of way. The State would not actually physically construct anything within the right of way, but if the homeowners or others could find a way of constructing a road or trail, then they would have legal right of way within which to do it.

Since it would be necessary to acquire relatively few square feet to resolve the issues of legal title to the right of way, and since the cost of the right of way would be very minor and a very small percentage of the total project cost for this State subdivision, we thought it would be desirable if the State could simply go ahead and acquire the right of way by filing a legal action or by purchasing the right of way.

We suggested that the Borough could establish a special assessment district for the new State subdivision so that the buyers of the lots could deposit a certain amount per lot into a fund at the time they buy their property and so that these monies could be used to pay off any of the costs of right of way acquisition and, if there are any monies left over from this fund, so that these monies could be applied towards the cost of construction of a road to their subdivision. This would be a one shot contribution towards access and the only monies that the lot buyers would be paying would be a specific dollar amount on their lot for the special assessment district at the time they purchase the lot from the State. Then, the monies raised by this special assessment district would be used to reimburse the State for its right of way acquisition costs. State law does not now permit the Borough to reimburse the Department of Natural Resources for right of way acquisition costs from a special assessment district fund. If the Borough attempted to turn over monies to the State, it would simply go into the State general fund, and there would be no way for the Department of Natural Resources to acquire monies to pay to property owners short of a specific legislative appropriation in some subsequent year. So, under existing law, we can not make the special assessment district work. The Borough could not just go ahead and create a special assessment district and use the proceeds to establish a right of way because the Borough does not have areawide road powers and the proposed road is outside of any Borough road service area.

If this fiscal note is tacked onto the appropriation, we can work together with the State Department of Natural Resources to make sure that this Chickaloon Bench Subdivision can be marketed and insure that the buyers of the parcels will be spared the burden of horrendous right of way disputes.

We do not want to raise the question of whether the State should spend money to construct roads into new State subdivisions or land disposal areas, because that is a much weightier issue, which we would prefer to be dealt with separately.

Sincerely,



Gary Thurlow
Borough Manager

GT/clm

cc: Platting Department
Frank Mielke, DNR

HOUSE COMMUNITY & REGIONAL AFFAIRS
STANDING COMMITTEE

May 11, 1983
3:15 p.m.

Members Present: Rep. Lacher, Chairwoman
Rep. Tischer, Vice-Chairwoman
Rep. Phillips
Rep. Clocksin
Rep. Szymanski

Members Absent: Rep. Fritz
Rep. McBride

COMMITTEE CALENDAR

HB 328 "An Act relating to subdivisions of state land."

HB 330 "An Act relating to construction of streets in subdivisions of state land."

WITNESS REGISTER

Representative Niilo Koponen
Alaska State Legislature
Behrends Building, Room 216
Pouch V
Juneau, Alaska 99811
465-4992

Position Statement: Prime Sponsor of HB 328 and HB 330.

Bob Arnold, Deputy Commissioner
Department of Natural Resources
Pouch M
Juneau, Alaska 99811
465-2400

Position Statement: Testified that the Department agrees wholly with HB 328 and HB 330 in their goals, but the problem is that the legislation would require a large appropriation from the State if subdivision continues in existing areas; he offers several alternatives and supports the Department's needs for more time to address the issue.

Bill Zybach, Special Assistant
FNSB

(No address given)
(No phone number given)

Position Statement: Testified in favor of the bill; cited Title 17; argues that a good mechanism for

provision of access -- Borough would prefer that there would not be disposals unless access is provided; and cited problem has existed since 1980; two problems: (1) road within subdivision; and (2) problem with access to subdivision.

Ginny Chitwood, Executive Director
Alaska Municipal League
204 North Franklin Street
Juneau, Alaska 99801
586-1325

Position Statement: Testified in favor of HB 328.

PREVIOUS ACTION

HB 328

04/06/83: HOUSE BILL NO. 328 by Koponen, Clocksin, Wendte and McBride, entitled:

"An Act relating to subdivisions of state land."

was read the first time and referred to the Community & Regional Affairs and Resources Committees.

04/22/83: Representative Lacher was added as co-sponsor to HOUSE BILL NO. 328 (title).

Statutory Reference: AS 29.33.150(b), (c)(1), (f) and (g)

HB 330

04/06/83: HOUSE BILL NO. 330 by Koponen, Clocksin, Wendte and McBride, entitled:

"An Act relating to construction of streets in subdivisions of state land."

was read the first time and referred to the Community & Regional Affairs, Resources and Finance Committees.

04/22/83: Representative Lacher was added as co-sponsor to HOUSE BILL NO. 330 (title).

Statutory Reference: AS 29.33.150 and AS 29.33.150(e)

ACTION NARRATIVE

TAPE#051183 (Side A)

Recording

Number 0000

Chairwoman Lacher calls the meeting to order at 3:15 p.m. Members present were: Representatives Lacher, Tischer, Phillips, Clocksin and Szymanski; Fritz and McBride were absent.

Number 0024

Representative Niilo Koponen, Prime Sponsor of HB 328 and HB 330, begins testimony on the legislation.

Number 0049

(Rep. Szymanski gives Chairwoman Lacher a note and leaves the meeting.) Rep. Koponen's testimony continues. He lists the history of problem with examples to illustrate the need for the legislation. AS 29.33.150 is amended to speed up subdivision process (at some earlier date).

Number 0110

HB 328 changes the amendment back -- regarding platting board.

Number 0125

AS 29.33.150 (HB 328) was amended without provisions for physical access for State.

Number 0138

Actually in violation of Federal law.

Number 0140

Rep. Tischer asks a question regarding preface.

Number 0143

Rep. Koponen responds.

Number 0154

The witness continues his testimony regarding the amendment to AS 29.33.150 in HB 328.

Number 0182

Rep. Koponen states that it is not his intent in HB 328 to require that the State spend any more money than at present on this program.

Number 0207

He states that it is the intent of this bill to provide for funding.

Number 0217

(Rep. Szymanski returns.)

Number 0218

Rep. Koponen continues his testimony on HB 328. He states the Department of Natural Resources could ask the Legislature for appropriations for the roads, but the intent

was that the land purchase price include the cost of roads.

Number 0279 AS 08.88.055 is then addressed.

Number 0288 (Rep. Fritz joins the meeting at 3:35 p.m.)

Number 0339 Rep. Koponen continues his testimony and mentions Rep. McBride's example. He then gives more examples of the access and bonding problems as reason for the legislation.

Number 0376 End of Rep. Koponen's testimony on HB 328.

Number 0377 Rep. Phillips asks a question regarding POM's for requests -- cites examples where people knew they were responsible for the roads.

Number 0409 Rep. Koponen states that the two pieces of legislation are intend to prevent further problems.

Number 0411 Rep. Tischer agrees with Rep. Phillips and agrees that constituents are on their own.

Number 0437 (Rep. Clocksin leaves the meeting.) Rep. Tischer continues that she feels that people should build their own.

Number 0475 Rep. Koponen cites the method of a local bond election as means of getting a road.

Number 0480 Rep. Tischer questions how many people.

Number 0482 Rep. Koponen replies that it varies.

Number 0487 Rep. Tischer continues the argument that if people want service they should pay for it.

Number 0500 Rep. Koponen replies that the bills are designed to take care of this in the land price.

Number 0510 Rep. Tischer asks about the examples.

Number 0512 Rep. Koponen replies. Discussion between Representatives Tischer and Koponen follows.

Number 0524 Rep. Koponen continues to elaborate.

Number 0544 Rep. Tischer suggests that the committee should prevent the State from going into the

subdivision business; it should be a private sector issue.

Number 0561 Rep. Koponen argues that the statutes and practice has varied over the years; it is hard to prevent the State's involvement in subdivisions.

Number 0580 Chairwoman Lacher introduces Mr. Phillips, who answers questions regarding the intent.

Number 0585 Rep. Koponen comments.

Number 0597 Rep. Phillips questions.

Number 0604 Rep. Szymanski clarifies the argument.

Number 0619 Rep. Phillips comments that he is against the bill.

Number 0628 Chairwoman Lacher would appreciate it if they would quit calling the State 'Charlie'.

Number 0633 There is discussion between Representatives Szymanski and Phillips.

Number 0653 Chairwoman Lacher also states that they should not put the burden on the local government.

Number 0659 There is brief discussion.

Number 0670 Rep. Koponen comments.

Number 0680 Rep. Phillips comments on homesteader sales to developers.

Number 0696 (Rep. Clocksin returns to the meeting.) Discussion continues.

Number 0710 Chairwoman Lacher calls point of order.

Number 0712 Rep. Tischer makes a statement.

Number 0729 Chairwoman Lacher sums up the discussion.

Number 0749 Bob Arnold, Deputy Commissioner of the Department of Natural Resources, comes before the committee to give testimony. He notes the large volume of mail regarding the access problem and gives history of problem and the State's position. The Department agrees wholly with the two bills in their goals, but the problem is that the bills

would require a large appropriation from the State if subdivision continues in existing areas. He offers several alternatives and supports the Department's needs for more time to address the issue.

Number 0830 Rep. Szymanski questions the likeness of the Department to developers.

Number 0847 Deputy Commissioner Arnold answers Rep. Szymanski's question and lists technical issues needing to be addressed and requests time for the issue.

Number 0865 (Rep. Phillips leaves the meeting.)

Number 0866 Rep. Szymanski questions.

TAPE#051183 (Side B)
Recording
Number 0886 There is discussion between the witness and Rep. Szymanski.

Number 0929 Rep. Clocksin asks a questions regarding earlier land disposal.

Number 0945 Deputy Commissioner Arnold replies that Sharon Barton can answer that question.

Number 0969 There is discussion.

Number 0970 (Rep. Phillips returns to the meeting.)

Number 0971 Rep. Clocksin comments.

Number 1005 Deputy Commission Arnold comments.

Number 0019 Rep. Tischer address problems and discussion with the witness follows; argues regarding extra administrative expense.

Number 0171 The point that some people cannot afford costs of parcels if road costs are built in is brought up and discussion follows.

Number 0185 Deputy Commissioner Arnold comments.

Number 0204 Chairwoman Lacher thanks the witness.

Number 0205 Bill Zybach, Special Assistant with FNSB, testifies in favor of the bill; cites Title 17 also.

Number 0237 Mr. Zybach continues his testimony.

Number 0268 He argues that a good mechanism for provision of access -- Borough would prefer that there would not be disposals unless access is provided. He cites problem has existed since 1980; two problems: (1) road within subdivision; and (2) problem with access to subdivision.

Number 0314 Chairwoman Lacher calls point of order; the committee is discussing HB 328, there has been latitude to HB 330.

Number 0323 Rep. Szumanski asks a question and discussion with the witness follows. The witness talks of the Borough policy of identification of 'Service Area'. Discussion follows.

Number 0375 Chairwoman Lacher gives summary and there is discussion.

Number 0400 Rep. Tischer asks a question regarding the point of law regarding access.

Number 0436 Deputy Commissioner Arnold comments regarding right-of-way.

Number 0440 Rep. Tischer comments.

Number 0482 Rep. Phillips questions regarding access (the question is directed to Deputy Commissioner Arnold). Chairwoman Lacher calls point of order.

Number 0500 Rep. Clocksin directs a question to Rep. Tischer and discussion follows. He argues that Rep. Tischer is off the issue and cites 1978 statute change.

Number 0514 Rep. Clocksin continues his comments and makes strong argument in favor of HB 328.

Number 0526 Chairwoman Lacher gives the committee 20 minutes and states that the intent is to pass out HB 328.

Number 0530 Rep. Tischer comments against HB 328.

Number 0560 Chairwoman Lacher suggests that Rep. Tischer is a little off course; cites 5 acre subdivisions of the State; and states that HB 328 will stop the State from doing this.

Number 0584 Chairman Lacher and Rep. Tischer discuss.

Number 0612 Rep. Clocksin clarifies the issue for Rep. Tischer; argues that HB 328 creates impetus for State responsibility.

Number 0633 Deputy Commissioner Arnold gives acreage.

Number 0637 Chairman Lacher comments.

Number 0639 Ginny Chitwood, Executive Director of the Alaska Municipal League, testifies in favor of HB 328.

Number 0644 Rep. Phillips moves that HB 328 be moved from committee with individual recommendations.

Number 0650 HB 330 is then brought before the committee for consideration.

Number 0659 Rep. Clocksin comments regarding the Department of Natural Resources' timeframe requested.

Number 0665 Chairwoman Lacher gives summary.

Number 0675 Rep. Koponen comes before the committee to answer questions. Rep. Phillips asks a question regarding escrow.

Number 0680 Rep. Koponen responds and there is discussion.

Number 0713 Deputy Commissioner Arnold joins the table.

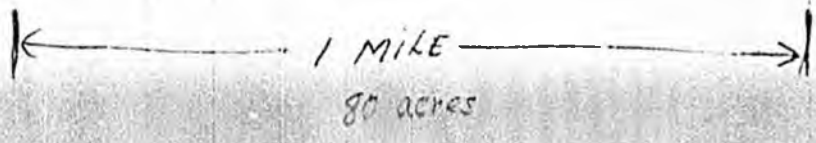
Number 0717 Representatives Phillips and Lacher invite open discussion.

Number 0718 Deputy Commissioner Arnold addresses the escrow issue.

Number 0737 Chairwoman Lacher suggests that perhaps this is an interim issue and cites need for local government input. Rep. Phillips asks a question regarding unorganized areas without local government and what recourse they have. Deputy Commissioner Arnold replies that the Department of Natural Resources handles them, not the Department of Community and Regional Affairs.

Number 0764 Chairwoman Lacher adjourns the meeting.

| | | | | | | | | | |
|------------------------------|---|---|---|--|--|--|--|--|---------------------------|
| 40 20 acres | | | | | | | | | 30 10 acres |
| 5 | 5 | 5 | 5 | | | | | | 40 10 acres |
| 5 | 5 | 5 | 5 | | | | | | |
| 20 10 acres | | | | | | | | | |
| 10 5 acres | | | | | | | | | |
| 10 acres | | | | | | | | | |



Section AS 29.33.150(e) is amended to read:

(h) As a condition of approving a subdivision plat of undeveloped state land, the platting board may by regulation require the Commissioner of Natural Resources to ESTABLISH A SERVICE AREA WITHIN THE LAND TO BE DISPOSED OF AND TO deposit money in an escrow account established by the municipality to be used to construct streets AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE within the subdivision. The platting board may not require a deposit of money into the escrow account until after the first lot in the subdivision is disposed of. The amount of funds required to be deposited into an escrow shall be equal to the municipalities estimate of construction cost per road mile, or fraction thereof, for platted roads AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE that are adjacent to property that has been disposed of. The estimate of road construction costs shall be the estimate to construct a road AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE to minimum standards to qualify for state aid to municipalities for roads AND OTHER IMPROVEMENTS REQUIRED BY LOCAL ORDINANCE under AS 29.89.020.

Pink outlining is difference between HB330 language and Committee request language.

Above was approved by Committee to be entered in CSHB330.

Passed with 5 do passes. Taken to legal for draft of Committee substitute. Staff informed of problems found by legal. Attached is draft of CS suggested by Legal to achieve Committee aims.

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Alaska State Legislature

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



Room 104
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Juneau, Alaska 99811

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Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

MEMORANDUM

TO: Committee On Community and Regional Affairs

FROM: Staff

DATE: May 11th, 1983

RE: HB 330

HB 330 provides a means to enable municipalities to acquire funds to construct roads within a subdivision of underdeveloped state lands that have been sold to individuals. Funds from the sale of lots within a state subdivision are deposited into the state general fund. The proposed legislation requires the Department of Natural Resources, upon the sale of lots in a state subdivision, to deposit money in a municipal escrow account to be used by the municipality to construct streets within the subdivision.

Under present circumstances, the purchasers of lots within a state subdivision cannot absorb road construction costs and no other means, except direct legislative appropriation, are available to fund the road construction. In the event that private developers subdivide and sell lots, the developer is generally required to construct streets to a specified standard before selling the lots.